

Teton County Ambulance Service District

Minutes: July 27, 2015

Commissioners' Meeting Room, 150 Courthouse Drive, Driggs, Idaho

AGENDA

1. Approve available minutes
 2. Discuss budget shortfalls and path forward
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COMMISSIONERS PRESENT: Kelly Park, Bill Leake, Cindy Riegel

OTHER ELECTED OFFICIALS PRESENT: Fire District Commissioners Jason Letham, Scott Golden and Kent Wagener, Clerk Mary Lou Hansen

Chairman Leake called the meeting to order at 2:05 pm.

● **MOTION.** Commissioner Park made a motion to approve the minutes of July 13, 2015. Motion seconded by Commissioner Riegel and carried.

NEW AMBULANCE. Hospital CEO Keith Gnagey said they have learned that their new ambulance grant request was not funded. They will submit a new grant request next year. However, a new ambulance should be purchased in 2017 regardless of whether grant funds are available. Commissioner Park asked whether an entirely new ambulance was needed, or whether a "box swap" could take place. Hospital EMS Director Rob Veilleux said box swaps on vehicles older than 10 years were not cost-effective because significant wiring and other updates are needed; in addition, older boxes need to be completely refurbished. The current fleet includes ambulances purchased in 1992, 1999, 2005 and 2009. Mr. Gnagey said an ambulance should be replaced every 10 years or 125,000 miles. This means the Ambulance Service District (ASD) needs to budget for a new ambulance about once every 5 years. Chairman Leake said the current budget trajectory will use up all ASD cash reserves, leaving nothing for future ambulance purchases.

BUDGET SHORTFALL. Chairman Leake asked if anyone had ideas regarding a sustainable fiscal path forward for the ASD. Mr. Gnagey said the statutory levy limit restricts available ASD tax dollars and suggested aggressive grant writing efforts. He said the hospital would accept \$34,000 less for their FY 2016 contract in order to balance the budget without using more of the cash reserves. Chairman Leake said the ASD needed to figure out how to live within its means and could not rely on grants, which are uncertain and unpredictable.

Ambulances were staffed by EMTs until 2010 or 2011 when paramedic level service was provided. This level of service was affordable at the time due to the county's high pre-recession property values. Furthermore, the hospital was charging far less for their administrative overhead related to providing the ambulance service.

Fire Chief Bret Campbell said the Fire District submitted a bid for providing ambulance services in 2008. However, the hospital was in crisis at that time, so the Fire District Commissioners decided to withdraw that bid. Commissioner Leake read from a memo from former Fire District Commissioner Ruby Parsons which stated that Fire withdrew because the time between the bid opening and commencement of operation was not enough time to properly prepare. In January 2012, the Fire District proposed a plan to abolish the ASD and let the Fire District provide ambulance services. This proposal led to the Mercer study. Beginning in FY 2015, the hospital is paying the Fire District \$140,000 per year to staff an ambulance in Victor and another in Driggs. This payment is far less than their cost to provide the staffing, and represents 6% of the Fire District budget. Mr. Gnagey said the Fire District documented their incremental costs to run the ambulance in FY 2015 were \$389,500.

Mr. Gnagey said the ASD, hospital and Fire District did not agree with the recommendations of the Mercer Study. The hospital approached the Fire District about setting up an ambulance system. Their efforts now are well

coordinated and provide the valley with 3 ambulances staffed and available 24/7. The Fire District provides 6 personnel around the clock for fire and ambulance services while the hospital provides 2 personnel 24/7 for ambulance service.

Chief Campbell said the hospital/Fire District partnership is unequal in terms of personnel and administrative services provided and compensation received. Mr. Wagener said the ambulance service generates a lot of income, which goes directly to the hospital. He said the Fire District has a much larger personnel and facilities base which would allow them to provide the service for less than the current cost. Furthermore, having a single administrative entity would save money. Even if the Fire District needed to use its "foregone" amount of tax dollars in order to provide ambulance services, Chief Campbell said the taxpayers would save money in the long run and be protected from future increases by the 3% cap (Attachment #2).

Chairman Leake repeated that the current budget trajectory was not sustainable and said new revenue sources are needed, or else the level of service must be reduced. He said investigating the possibility of having the Fire District provide ambulance services seems prudent for taxpayers.

Hospital Trustee Dr. Lyle Archibald, said quality of care must be part of the discussion. Since ambulance personnel respond to trauma, it's critical that they have sufficient practice with intubation and airway management in order to properly treat and stabilize patients for transport. The hospital-based ambulance staff gains significant practice by dealing regularly with cases in the emergency room. In addition, Dr. Archibald said clear, trustworthy communication between the accident scene and hospital physicians was also critical and was enhanced by regular interaction.

The group agreed that quality measures were needed and Mr. Gnagey offered to identify how performance could be measured against quality. He said the Mercer study found that Teton County residents enjoyed emergency services better than 95% of similar-sized counties. However, said Chairman Leake, the ASD cannot afford to continue paying for those services. Nonetheless, he stressed that everyone wants the hospital to be successful in the community.

Chief Campbell said most of the hospital's pool of paramedics work elsewhere as full-time fire-based paramedics. Even if the ambulance was 100% Fire-based, he said there would still be a need for a close relationship with the hospital. Mr. Gnagey reiterated the need to train fire staff at the hospital.

It was decided to discuss quality measures on August 24, when the hospital's ambulance service is already scheduled to provide a quarterly report to the ASD Board.

● **MOTION.** At 3:39 pm Chairman Leake made a motion to adjourn the meeting and reconvene as the Board of County Commissioners. Motion seconded by Commissioner Park and carried.

Bill Leake, Chairman

ATTEST: _____

Mary Lou Hansen, Clerk

Attachments: #1 Bill Leake memo re budget shortfall
#2 Emails re fire and ambulance property taxes

DISPATCH SERVICES CONTRACT

This agreement made and entered into this ___ day of August, 2015, by and between the Teton County Ambulance Service District, hereafter the "ASD" and the Teton County, Idaho Sheriff's Office, hereafter "Teton County", both of whom understand and agree as follows:

WITNESSETH:

WHEREAS, the ASD desires to contract with Teton County for dispatch services; and
WHEREAS, the Sheriff desires to provide such dispatch services,
NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. DISPATCH SERVICE CONTRACT PROVISIONS
 - a. Teton County will provide dispatch services for the ASD.
 - b. The ASD will compensate Teton County as negotiated on an annual basis.
2. TERMINATION AND TERM
 - a. For the purpose of this agreement, termination shall occur when:
 - i. The ASD decides to terminate the Contract at a duly authorized public meeting.
 - ii. The Teton County, Idaho Board of County Commissioners votes to terminate the Contract at a duly authorized public meeting.
 - iii. In the event that either party seeks to terminate this contract, a minimum of 60 days written notice to the parties shall be provided, unless the parties agree otherwise.
 - b. The term of this agreement shall be one (1) year.
 - c. Unless written notice of a desire to terminate this agreement is given by either party at least ninety (90) days prior to the termination date as provided herein, this agreement shall be extended on the same terms and conditions herein provided, for an additional periods of one year.
3. PAYMENT. The ASD agrees to pay Teton County, Idaho once a year for services rendered.
4. GENERAL PROVISIONS.
 - a. This agreement constitutes the complete understanding of the parties. No modifications of any provisions thereof shall be valid unless in writing and signed by both parties.
 - b. No waiver of any breach of any condition of the agreement shall be binding unless in writing and signed by the party waiving said breach. No such waiver shall in any way affect any other term or condition of this agreement or constitute a cause or excuse for a repetition of such or any other breach unless the waiver shall include the same.
 - c. This agreement formalizes the verbal understanding which has been in effect for several years.
 - d. If any provision, or any portion thereof contained in this agreement is held unconstitutional, invalid, or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, and shall be affected and shall remain in full force and effect.

TETON COUNTY ASD

Bill Leake, Chair

TETON COUNTY, IDAHO

Bill Leake, Chair

Tony Liford, Sheriff

ATTEST:

Mary Lou Hansen
Teton County, Idaho Clerk

Mary Lou Hansen

From: Angela Booker [ABooker@tvhcare.org]
Sent: Wednesday, August 05, 2015 12:47 PM
To: Dawn Felchle; Mary Lou Hansen
Cc: Robert Veilleux; Keith Gnagey
Subject: FW: ASD Request

Dawn and Mary Lou, this is for the discussion on the 4th ambulance with the ASD on Monday, August 10th. Please let me know if you have any questions or concerns.

Thank you,
Angela Booker
Chief Nursing Officer
Teton Valley Health Care
208-354-6325

Emergency Response Capabilities

Ambulance 4

- Estimated cost of repairing -- \$10k for a new engine
- Age – 23 years
- Mileage – 73,649 as of July 8

Ambulance Usage

For the timeframe from October 1, 2014 to July 31, 2015 there were 281 ambulance runs. During that time:

- 2 ambulances out at same time = 30 times
- 3 ambulances out at same time = 5 times
- 4 ambulances out at same time = 2 times

Response Capabilities

The following vehicles in Teton County have ALS (advanced life saving) supplies and equipment on-board at all times:

- Each ambulance
- Engine 20, stationed at the Victor firehouse
- Engine 10, stationed at the Driggs firehouse
- The QRU (quick response unit) assigned to Rob Veilleux (if we have four ambulances, this vehicle only has BLS capabilities, if we have three ambulances, we move equipment and make this ALS)

Other Transports

- Air Idaho, based at Driggs airport (helicopter and fixed wing available)
- Life Flight Network, based in Rexburg
- Critical care ground transport, based at Madison
- Neo-natal transport, based at EIRMC
- Support from neighboring counties

- (j) Each and every provision of law and clause required by law to be inserted in this contract shall be deemed to have been inserted herein. If any such provision is not inserted through mistake or otherwise, then upon the application of either party, this contract shall be physically amended.
- (k) The District shall at all times comply with all applicable laws, statutes, codes, rules and regulations of the State of Wyoming while in performance of this contract.

2. TERMINATION AND TERM

- (a) For the purpose of this agreement, termination shall occur when:
 - i. The Teton County Wyoming Board of County Commissioners votes to terminate the Contract at a duly authorized public meeting.
 - ii. The Teton County Idaho Ambulance Service District Board votes to terminate the Contract at a duly authorized public meeting.
 - iii. In the event that either party seeks to terminate this contract, a minimum of one hundred twenty (120) days written notice to the parties shall be provided unless the parties agree otherwise.
- (b) The term of this agreement shall be three (3) years.

3. PAYMENT. The County agrees to make payment to the District for ambulance services as follows:

(a) The County understands that the District is unable to determine the exact cost per specific ambulance run or the amount of ambulance revenue generated by Wyoming patients vs. Idaho patients. Therefore, a ten-year average of the percent of ambulance runs from Wyoming (15.27%) shall be used to calculate the payment from Wyoming to Idaho (see Exhibit "A" Ambulance Run Statistics).

(b) The County understands that the District contracts ambulance services to Teton Valley Health Care as provided in the attached agreement (Exhibit "B"). The County shall pay to the District 15.27% of the District's Total Expenditures. Total Expenditures includes payments to the contracted entity plus additional operating expenses which include, but are not limited to: capital (i.e. vehicle replacement, equipment, structures to house an ambulance), maintenance and repair, payroll, fuel, supplies, insurance, consumable expenses, and Dispatch/Admin Fees. In FY 2013, the Total Expenditures for the District was \$602,496.00. It is a potential that the District may decide to purchase a new ambulance in the next fiscal year, thus the Total Expenditures for the District will be potentially substantially higher than FY 2013. The County will be notified if the District is proposing to spend more than \$100,000.00 on any major capital expenditures in the next fiscal year prior to May 1 of each year, so that the county can budget accordingly, to

REMAINING BUDGET DETAIL ANALYSIS

FISCAL YEAR 2015 AS OF 08/05/2015 FUND 0050

84% OF FISCAL YEAR ELAPSED

FUND 0050 AMBULANCE SERVICE DISTRICT
-00 AMBULANCE SERVICE DISTRICT

Acct No.	Account Description	Original Budget	Budget Changes	Budgeted Amount	-----EXPENDITURES-----			Percent	Budget Balance
					Paid Claims	Unpaid Claims	Total Exp		
0459-0000	INSURANCE- ICRMP	1,235.00		1,235.00			1,235.00	100.00%	
0463-0000	CELL PHONE	1,500.00		1,500.00	1,195.60		1,195.60	79.71%	304.40
0470-0000	VEHICLES - FUEL, GASOLINE	14,000.00		14,000.00	7,421.74		7,421.74	53.01%	6,578.26
0475-0000	AMBULANCE MAINT & REPAIR	10,500.00	4,000.00	14,500.00 C	8,575.78		8,575.78	59.14%	5,924.22
0491-0000	REPAIRS/MAINT- MEDICAL EQUIP	3,000.00		3,000.00	2,047.03		2,047.03	68.23%	952.97
0505-0000	STATE RADIO SYSTEM	2,100.00		2,100.00	1,572.48		1,572.48	74.88%	527.52
0506-0000	DISPATCH SERVICES	73,271.00		73,271.00	73,271.00		73,271.00	100.00%	
0526-0000	CONTINGENCY ACCOUNT	6,900.00	(4,000.00)	2,900.00 C				0.00%	2,900.00
0543-0000	ADMINISTRATIVE SERVICES	20,210.00		20,210.00	20,210.00		20,210.00	100.00%	
0559-0000	MISCELLANEOUS	500.00		500.00				0.00%	500.00
0672-0000	CONTRACT W/HOSPITAL	496,994.00		496,994.00	414,161.70	41,416.17	455,577.87	91.67%	41,416.13
Total 'B' Budget -- Expenses:		630,210.00		630,210.00	529,690.33	41,416.17	571,106.50	90.62%	59,103.50
0802-0000	CAPITAL- COMMUNICATIONS EQUIP	10,000.00		10,000.00	514.81		514.81	5.15%	9,485.19
0805-0000	CAPITAL: AMBULANCE EQUIPMENT	38,000.00		38,000.00	6,474.24		6,474.24	17.04%	31,525.76
Total 'C' Budget -- Capital Outlay:		48,000.00		48,000.00	6,989.05		6,989.05	14.56%	41,010.95
DEPARTMENT TOTALS :									
Total 'A' Expenses -- Salaries:									
Total 'D' Expenses -- Benefits:									
Total 'B' Expenses -- Expenses:		630,210.00		630,210.00	529,690.33	41,416.17	571,106.50	90.62%	59,103.50
Total 'C' Expenses -- Capital Outlay:		48,000.00		48,000.00	6,989.05		6,989.05	14.56%	41,010.95
		678,210.00		678,210.00	536,679.38	41,416.17	578,095.55	85.24%	100,114.45
FUND TOTALS: 0050 AMBULANCE SERVICE DISTRICT									
Total 'A' Expenses -- Salaries:									
Total 'D' Expenses -- Benefits:									
Total 'B' Expenses -- Expenses:		630,210.00		630,210.00	529,690.33	41,416.17	571,106.50	90.62%	59,103.50
Total 'C' Expenses -- Capital Outlay:		48,000.00		48,000.00	6,989.05		6,989.05	14.56%	41,010.95
		678,210.00		678,210.00	536,679.38	41,416.17	578,095.55	85.24%	100,114.45

REMA IN IN G B U D G E T D E T A I L A N A L Y S I S

FISCAL YEAR 2015 AS OF 08/05/2015 FUND 0050 84% OF FISCAL YEAR ELAPSED

GRAND TOTALS:

Total 'A' Expenses -- Salaries:	630,210.00	529,690.33	529,690.33	100,519.67
Total 'D' Expenses -- Benefits:	48,000.00	6,989.05	6,989.05	41,010.95
Total 'B' Expenses -- Expenses:	678,210.00	536,679.38	578,095.55	100,114.45
Total 'C' Expenses -- Capital Outlay:				

*****END OF REPORT*****

REMAINING CASH ANALYSIS

FISCAL YEAR 2015 TO 08/05/2015

*** Funds without history will not appear on report. ***
*** Report includes active funds only ***

Fund No.	Description	Cash Balance	Accounts Payable	Warrants Payable	Available Cash	Outstanding Payments	Remaining Cash
GENERAL GOVERNMENT FUNDS							
0001	GENERAL FUND (CURRENT EXPENSE)	3,568,595.19		39,528.69	3,529,066.50	5,329.07	3,523,737.43
0002	ROAD AND BRIDGE	788,927.95		44,396.62	744,531.33		744,531.33
0003	ROAD & BRIDGE - RESERVE	3,215.00			3,215.00		3,215.00
0006	DISTRICT COURT & JUVENILE PROB	335,348.23		38,692.53	296,655.70	18.80	296,636.90
0007	DRUG CT/MNTL HLTH: IC 31-3201E	13,373.80			13,373.80		13,373.80
0009	COURT FACILITY: IC 31-867(3)	18,182.37			18,182.37		18,182.37
0010	COURT - RESTITUTION	8,684.81		2,300.92	6,383.89	2,828.76	3,555.13
0012	COURT - BONDS	23,283.00		2,716.00	20,567.00		20,567.00
0013	IGNITION INTERLOCK: IC 18-8010	14,532.42			14,532.42		14,532.42
0015	ELECTIONS - STATE FUNDS	115,497.31		974.32	114,522.99		114,522.99
0016	INDIGENT AND CHARITY	151,943.44		799.24	151,144.20		151,144.20
0018	EMPLOYEE BENEFIT ACCOUNT	171,753.76			171,753.76		171,753.76
0020	REVALUATION	72,945.59			72,945.59	9,260.00	63,685.59
0021	SPECIAL PLANNING PROJECTS						
0022	SOLID WASTE - SELF ASSURANCE	300,000.00			300,000.00		300,000.00
0023	SOLID WASTE	2,133,933.65		145,950.04	1,987,983.61	849.87	1,987,133.74
0024	TORT	84,995.47			84,995.47		84,995.47
0025	SOLID WASTE - RESERVE	668.00			668.00		668.00
0027	WEEDS	103,373.23		2,655.46	100,717.77	176.00	100,541.77
0033	ROAD, SPECIAL	802,217.16		343,233.52	458,983.64		458,983.64
0036	PROSECUTOR'S SPECIAL DRUG FUND	17,843.45			17,843.45		17,843.45
0040	YOUTH PROGRAM: IC 49-418B	2,069.00			2,069.00		2,069.00
0041	BUILDING FUND	71,340.05			71,340.05		71,340.05
0043	ROAD IMPROVE-DEVELOPER DONATIO	103,826.33			103,826.33		103,826.33
0044	EMERGENCY 911 COMMUNICATIONS	58,789.27		79.99	58,709.28		58,709.28
0050	AMBULANCE SERVICE DISTRICT	417,067.42		592.10	416,475.32	41,416.17	375,059.15
0051	MOSQUITO ABATEMENT DISTRICT	193,977.22			193,977.22		193,977.22
0052	MOSQUITO ABATEMENT RESERVE FUN	40,000.00			40,000.00		40,000.00
0054	WATERWAYS/VESSEL FUND	12,792.03		320.00	12,472.03		12,472.03
0061	FEMA TETON CREEK RESTORATION						
0062	SHERIFF'S GRANTS						
0075	COUNTY HOSPITAL OPERATION	177,037.00			177,037.00		177,037.00

AMENDED AND RESTATED HOSPITAL LEASE

BETWEEN

TETON COUNTY AS LESSOR

AND

TETON VALLEY HEALTH CARE, INC. AS LESSEE

Lease Commencement Date: January 1, 2013

AMENDED AND RESTATED HOSPITAL LEASE

WHEREAS, on January 1, 2013, Teton County, Idaho ("**Lessor**"), and Teton Valley Health Care, Inc., an Idaho non-profit corporation ("**Lessee**") entered into that certain 99 year Hospital Lease ("Lease"). The Lessor and Lessee have agreed to amend and restate the Lease as follows:

ARTICLE 1 PURPOSE

To promote the health and well-being of the residents of Teton County, Teton County previously founded and operated a county hospital under various assumed names such as, but not limited to Teton Valley Hospital and Surgicenter, Teton Valley Healthcare, Teton Valley Hospital, Teton County Hospital (collectively the "County Hospital"). The rapid and continuous progress in medical care, the enhancement of medical expertise and knowledge available in Teton County for the benefit of its citizens, the increasing expertise, skill and experience required to effectively administer and manage the multifaceted aspects of hospital health care, and the increasing role of the federal government in the financing of health care, has caused and will continue to cause a significant expansion of the services offered by, and the complexity of operating, the county hospital. The medical, financial, administrative, management, and other functions of the county hospital are different than the standard governmental functions performed by Teton County. To facilitate the proper fit and focus on providing medical care, managing health services, and growing medical services and facilities for the benefit of the citizens of Teton County, on January 1, 2013 Teton County invoked its rights under Idaho Code Section 31-3515A to lease the county hospital facility to a nonprofit corporation that has as its sole purpose and objective the continued enhancement of medical care for the benefit of the citizens of Teton County.

ARTICLE 2 BASIC PROVISIONS

The following basic provisions are a part of this Lease:

2.1 Lessor. Teton County is the "**Lessor**." Lessor's mailing address is 150 Courthouse Drive, Driggs, Idaho 83422 (telephone (208) 354-2905).

2.2 Lessee. Teton Valley Health Care, Inc. is the Lessee. Lessee's mailing address is 120 East Howard Avenue, Driggs, Idaho 83422 (telephone (208) 354-2383). The objective of Teton Health, Inc. is to operate Teton Valley Hospital to fulfill the purpose of the Lease as set forth in Article 1.

2.3 Hospital. The subject of this Lease is that certain real property and improvements located at 120 East Howard Avenue and certain other properties in the area, Driggs, Idaho consisting of the real property and improvements now existing or later constructed, together with all easements, rights and appurtenances to the real property, all as more fully illustrated and legally described on the attached Schedule 2.3 ("**Hospital**").

2.4 Permitted Use. The Hospital may be used under this Lease for medical care and services ancillary to medical care in accordance with those uses and purposes allowed by Idaho Code Section 31-3515A as that statute exists on the date of this Lease Amendment. (the "**Permitted Use**").

2.5 Term and Commencement Date. This Lease commenced on January 1, 2013 (the "Commencement Date") and shall continue for a period of ninety nine (99) years from the Commencement Date and shall end at midnight of December 31, 2112 ("**Initial Term**"), unless terminated earlier as provided herein, or extended as provided herein and as allowed by law. The Initial Term and any Renewal Terms, which are exercised by the Lessee, are collectively defined as the "**Term**" of this Lease.

2.6 Base Rent. Lessee shall pay to Lessor an annual Base Rent of \$1.00 ("**Base Rent**").

ARTICLE 3 POSSESSION AND CONDITION OF HOSPITAL

3.1 Grant of Hospital. Lessor leases to Lessee and Lessee leases from Lessor the Hospital subject to the terms and conditions of this Lease.

3.2 Condition of Hospital. Lessor delivers possession of the Hospital to Lessee without making any representations or warranties as to the condition or suitability of the Hospital for the Permitted Use. The Hospital is being leased in AS IS, WHERE IS condition. Because Lessee has been the occupant of the hospital for many years, Lessee is in a position to understand the condition of the structures and any issues associated with the Hospital. Lessor makes absolutely no representations or warranties regarding the suitability or condition of the Hospital for any purpose whatsoever. Lessee took possession of the Hospital upon the Commencement Date.

3.3 Quiet Enjoyment and Possession. Lessor covenants on behalf of itself and its respective successors, assigns and persons rightfully claiming by or through Lessor, to not disturb the quiet enjoyment, possession or Permitted Use of the Hospital by Lessee, except as permitted by this Lease.

3.4 Operations. The operations of the Lessee ("**Operations**") consist of all the medical and health care services performed by the Lessee.

3.5 Operating Assets. All past, current, and future rights, title, and interest in and to the equipment, assets, and all rights necessary and advisable to the Operations ("**Operating Assets**") are hereby transferred to the Lessee. The Operating Assets are as follows:

3.5.1 Equipment, Furniture and Fixtures. All tangible personal property owned by or leased to Lessor located in or used in connection with the Hospital including (without limitation) furniture, furnishings, fixtures, trade fixtures, medical instruments, medical equipment, equipment, office equipment, computer equipment, computer systems, furnishings, machinery, tenant improvements, blinds, curtains, drapes, floor coverings, security equipment, communications equipment, equipment operation manuals, and manufacturer's warranties and guarantees, if any ("**Equipment**"). The Equipment includes, but is not limited to, all capitalized equipment listed in Financial System, which is defined as the automated and manual systems used to maintain the accounting, general ledgers, and sub ledgers of the Lessee.

3.5.2 Real Property Leases. The leases of the real property ("**Real Property Leases**") identified on Schedule 3.5.2.

3.5.3 Personal Property Leases. All equipment and other personal property leases for tangible personal property identified in and attached to Schedule 3.5.3 ("**Personal Property Leases**").

3.5.4 Contracts. All of Lessor's rights related to all contracts, agreements, options, and commitments, including (without limitation) any purchasing or supply agreements, employment agreements, and service contracts, and third party payer agreements, including but not limited to Medicare, Medicaid, Blue Cross of Idaho, and Blue Shield of Idaho.

3.5.5 Cash and Receivables. All rights in Lessor's bank accounts, cash and other liquid assets, securities, and accounts receivable related to the operation of the Hospital and as reflected on the Lessor's business records and financial statements relating to the Hospital (the "Cash and Liquid Assets"), will be transferred to Lessee pursuant to the Liquid Assets Transfer Agreement between Lessor and Lessee dated as of the Commencement Date (the "Liquid Assets Transfer Agreement"). The Liquid Asset Transfer Agreement is attached hereto and incorporated herein as Schedule 3.5.5 and any breach of its terms shall constitute a default of this Agreement.

3.5.6 Prepaid Expenses. Deposits with Lessor's vendors, prepaid items, prepaid expenses, and similar amounts paid by Lessors to other vendors of services or goods for which Lessors have not received services or goods in return. The Prepaid Expenses include, but are not limited to, the Prepaid Expenses identified in the Financial System. Notwithstanding the foregoing, no items of prepaid insurance policies paid by the Lessor to ICRMP relating to the Hospital are transferable.

3.5.7 Accounts Receivables. All accounts receivable, amounts owed by third-party payers such as Medicaid, Medicare, insurance companies and responsible individuals, work-in-progress (unbilled services rendered prior to the Commencement Date), promissory notes, and other amounts owed to Lessors and arising in the ordinary course of business ("**Receivables**"). The Receivables include, but are not limited to those listed in the Financial System.

3.5.8 Motor Vehicles. All of Lessor's motor vehicles as listed on Schedule 3.5.8.

3.5.9 Patient and Medical Records. All paper, electronic, and other copies of all patient records, medical records, patient lists, customer lists, correspondence, files, manuals, practice protocols, and policies used in the Operation ("**Patient Records**").

3.5.10 Business Records. All accounting records, financial records, operations records, vendor lists, price lists, operations manuals, and all other records, files, memoranda, sketches, bids, contracts, and other documents relating to the Operations ("**Business Records**").

3.5.11 Inventory. All items included as inventory on the Business Records, all prescription and other drugs, all medical, janitorial and office supplies, and all other operating supplies.

3.5.12 Pharmaceuticals and Controlled Substances. All pharmaceuticals, controlled substances, medicines, drugs, and related items.

3.5.13 Licenses and Permits. To the extent they are transferable, all licenses and permits used in the Operations, including but not limited to the licenses and permits identified on Schedule 3.5.13.

3.5.14 Intellectual Property. All the Lessor's rights, title and interest in (i) all trademarks, trade names, service marks, assume business names, copyrights and any applications therefore relating to the Hospital; (ii) all rights in the names "Teton Valley Hospital", "Teton Valley Hospital and Surgicenter", and "Teton Valley Health Care" and (iii) all logos, symbols, business manuals, policies, and tangible or intangible advertising materials that have been created by or for Lessor or that are or have been used in the Operations ("**Intellectual Property**").

3.5.15 Communication Addresses. All telephone numbers, facsimile numbers, internet addresses, internet domain names, internet domain name registrations, log-in identifications, user identifications, screen names and on-line service identifications relating to the Operations.

3.5.16 Computer Software and Databases. To the extent they are transferable, all computer software, applications and databases owned, licensed, leased, internally developed or otherwise used in the Operations.

3.5.17 Proprietary Information. All rights in Lessor's Proprietary Information. "**Proprietary Information**" means all information, data, software and materials (whether contained in documents, electronic media or other forms) relating to or used by Lessor in connection with the Hospital, including, without limitation, information about Lessor's materials, procedures, inventions, expertise, patient lists, medical records, financial data, vendors, marketing plans, and trade secrets.

3.5.18 Tangible and Intangible Personal Property. All other tangible and intangible personal property owned by Lessor and used in the Operations.

3.5.19 Goodwill. All rights of Lessor in (i) the favorable consideration which Lessee has in the minds of the citizens of Teton County, the physicians and other members of the medical community and the public, (ii) the reasonable expectation that the Lessee will be preferred by existing and potential patients and physicians, and (iii) the advantage and benefit that existing and potential patients and physicians will patronize the Lessee ("**Goodwill**").

3.6 Charitable Assets. The Hospital includes all trusts, bequests, charitable donations, and related real and personal property used in the Operations that has been given, conveyed or otherwise transferred to the Lessor for charitable purposes prior to the Commencement Date.

3.7 Operating Liabilities. The Lessee shall assume all Known and Contingent Liabilities, as described below (collectively "**Assumed Liabilities**"):

(a) **Known Liabilities.** Known liabilities are those liabilities that were incurred by the Lessee or the County Hospital in the ordinary course of business that have not been paid as of the commencement date. Known Liabilities in excess of Ten Thousand 00/100ths Dollars (\$10,000.00) are described on Schedule 3.7 (a), attached hereto and incorporated herein.

(b) **Contingent Liabilities.** Contingent liabilities means an existing condition, situation, or set of circumstances involving uncertainty as to a possible liability to the Lessee or the County Hospital that will ultimately be resolved when one or more events occur or fail to occur ("**Contingent Liabilities**"). Nothing herein shall be deemed to waive or compromise any rights under any insurance coverage maintained or to be maintained by the Lessor, Lessee, or any third party that may have responsibility. Nothing herein shall be deemed to waive or compromise any

defense or counterclaim that could be made or asserted by or on behalf of the Lessee or Lessor or any other third parties with respect to any claim, act, action or obligation, whether or not covered by insurance. Nothing herein shall be deemed to waive or compromise any rights, defense or counterclaim that could be made or asserted by or on behalf of the Lessee or Lessor or any third parties with respect to any claim, suit or action under or otherwise covered by or subject to the Idaho Torts Claims Act. The Parties agree that the Lessee may obtain new provider numbers from governmental or private payers and not use the current provider numbers. Contingent Liabilities in excess of Ten Thousand 00/100ths Dollars (\$10,000.00) are described on Schedule 3.9 (b), attached hereto and incorporated herein.

(c) **Excluded Liabilities.** The Lessee shall not assume liabilities that are not Known Liabilities or Contingent Liabilities ("Excluded Liabilities"). Liability for all Excluded Liabilities shall remain with the Lessor.

3.8 Operating Obligations. Lessee shall assume all past, present and future obligations of Lessor as they relate to the County Hospital, including, but not limited to, its Operating Assets, Operations, and Charitable Assets as set forth below.

3.8.1 Trade Payables. All liabilities related to amounts owed to vendors of supplies and inventory by Lessor that relate to, arise from, or are in connection with the Operations.

3.8.2 Purchase Orders. All liabilities related to purchase orders and commitments that relate to, arise from, or are in connection with the Operations.

3.8.3 Personal Property Leases and Contracts. All liabilities related to Personal Property Leases identified in Schedule 3.8.3 and all Contracts.

3.8.4 Litigation and Judgments. Any litigation, arbitration or mediation, and any amounts payable to resolve disputes, if any, including but not limited to judgments, settlements, arbitration, or mediation.

3.8.5 Patient Records Compliance. Any liability arising from or related to the failure to properly comply with (i) all federal, state, local and other statutes and regulations, (ii) all rules and regulations of the regulatory agency governing the County Hospital and Lessee, and (iii) the duty to exercise the requisite care, skill and knowledge in performing Lessee' and the County Hospital's professional duties relating to the preparation, retention, storage, duplication, preservation and other obligations relating to Patient Records.

3.8.6 Errors and Omissions. Any liability or amounts payable arising from or related to any claims of errors and omissions.

ARTICLE 4 OPERATION AND USE OF HOSPITAL

4.1 Reports to Lessor. Lessee shall provide a quarterly standard financial report that includes income statement, balance sheet and cash flow statement. Lessee shall also annually provide a fixed capital asset list and an audited financial report.

4.2 Lessee's Use of Hospital. The Hospital shall be occupied and used by Lessee only for the Permitted Use and for no other purpose.

4.3 Lessee's Maintenance Obligations on Hospital. Lessee shall, at Lessee's sole expense keep and maintain the Hospital in good condition. Lessee's maintenance and repair obligation includes, but is not limited to, all plumbing, heating, air conditioning, ventilating, electrical, lighting, telecommunications, fire suppression, interior walls, ceilings, floors, windows, doors, plate glass, cabinets, landscaping, parking area, pavement, and sidewalks.

4.4 Utilities. Lessee shall be solely responsible for and shall promptly pay all charges, when due, for water, sewer, natural gas, electricity, telephone, cable, computer, security and any other utility or other service used upon or furnished to the Hospital at the request of the Lessee.

4.5 Trash. Lessee shall provide, maintain and pay for trash receptacles at the Hospital in which to place trash and shall cause the trash to be removed from the area as often as is reasonably necessary.

4.6 Signs. All interior and exterior signs on the Hospital (including building directories, wall and door signs, and exterior building signs) shall be designed, installed, maintained, repaired, replaced or improved by Lessee at Lessee's expense without the necessity of Lessor's consent or review. The signs shall be installed to avoid structural overloading of the improvements to the Hospital.

4.7 Structural Alterations. Lessee may make structural alterations or improvements (including creating any openings in the roof or exterior walls, and adding additional space) to the Hospital without the prior written consent of Lessor. However, any alterations that would require a building permit under any applicable laws or regulations must be stamped and approved by a professional engineer licensed in the state of Idaho.

4.8 General Alterations and Remodeling. In addition to the structural alterations identified herein, Lessee has the right at all times to make alterations to, or perform remodeling of, the Hospital without Lessor's consent or review. Lessee's authorized alterations and remodeling include, but are not limited to, erecting, installing or rearranging cabinets, shelves, bins, electrical, plumbing, computer service and outlets, machinery, rooms, non-load bearing walls, air conditioning or heating equipment, and trade fixtures.

4.9 Lessee's Hazardous Material Representations and Warranties. Lessee represents and warrants to Lessor as follows:

4.9.1 Hazardous Material Use. Lessee has no knowledge, nor has it permitted any Hazardous Material to be generated upon, transported to, stored, disposed, released or used in or about the Hospital except as incidental to the Permitted Use and only in quantities that are less than the quantities that are required to be reported to governmental or other authorities under applicable law or regulations. Lessee has complied with all laws regulating the use, reporting, storage, and disposal of Hazardous Material.

4.9.2 Notice of Liability. Lessee has not received from any governmental entity or third party any request for information, notice of claim, demand letter or other notification, notice or information that Lessee may be (i) potentially subject to or responsible for any investigation or clean-up or other remediation of Hazardous Material; (ii) potentially liable for damage to persons, property, or

natural resources in connection with any Hazardous Material; or (iii) in violation of any laws relating to Hazardous Material.

4.9.3 Investigations. There have been no environmental investigations, studies, audits, samples, tests, reviews or other analyses, the purpose of which was to discover, identify or otherwise characterize the condition of the soil, groundwater, air, or presence of asbestos or PCBs at the Hospital.

4.9.4 Asbestos. There is no known asbestos present in the Hospital, and no asbestos has been removed from the Hospital, except according to the requirements of the Clean Air Act and the Occupational Safety and Health Act.

4.9.5 USTs. There is one known six thousand gallon underground storage tank ("UST") used for the storage of propane. Otherwise there are no USTs on, in, or under the Hospital. No USTs have been closed or removed from the Hospital.

4.10 Lessee's Hazardous Material Use. Lessee shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Hospital by Lessee, its agents, employees, contractors, customers, clients, patients, guests or invitees except as incidental to Lessee's Permitted Use of the Hospital or only in quantities that are less than the quantities that are required to be reported to governmental or other authorities under applicable law or regulations. Lessee shall comply with all applicable laws and regulations regulating the use, reporting, storage, and disposal of Hazardous Material.

4.11 Hazardous Material Definition. As used in the Lease, the term "Hazardous Material" means any hazardous or toxic substance, material or waste, which is or becomes regulated by any federal, state or local governmental authority or political subdivision. The term Hazardous Material includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under applicable law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyl ("PCB"), (v) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1321), (vi) defined as a "hazardous waste" pursuant to Section 1004 of the Solid Waste Disposal Act (42 U.S.C. § 6903), (vii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601), (viii) defined as a "regulated substance" pursuant to Section 9001 of the Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. § 6991, (ix) considered a "hazardous chemical substance and mixture" pursuant to Section 6 of the Toxic Substance Control Act (15 U.S.C. § 2605), or (x) defined as a "pesticide" pursuant to Section 2 of the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136).

4.12 Real and Personal Property Taxes.

4.12.1 Lessee's Payment of Taxes. Lessee agrees to pay before they become delinquent any and all taxes (both general and special), assessments, or governmental charges or fees lawfully levied or assessed against the Hospital (separately "Tax" or collectively, the "Taxes").

4.12.2 Tax Notices. Promptly upon Lessor's receipt, Lessor shall furnish to Lessee all notices of assessments or changes in valuation so that Lessee may exercise Lessee's rights to challenge the assessments or valuations. Lessor shall furnish to Lessee the Tax statement for the Hospital or

Hospital immediately upon receipt from the taxing authority in the event the Tax statement is sent to Lessor. If allowed by the applicable taxing authority, Lessee may request that all Tax bills and notices be sent directly to Lessee.

4.12.3 Lessee's Challenge of Taxes. If Lessee desires to challenge any Tax, then Lessee shall provide Lessor with prior written notice of the challenge, and Lessee may, at its sole cost and expense (in its own name or in the name of Lessor, or in the name of both, as Lessee may deem appropriate) contest any Tax. If Lessee challenges any Tax, Lessee need not pay the disputed Tax until the Tax is adjudged to be valid. In no event shall Lessee allow a Tax foreclosure or sale to proceed against the Hospital, and in the event of any Tax foreclosure or sale Lessee shall either promptly pay or bond against the Tax. Lessor agrees not to take any action, which would extinguish or restrict Lessee's rights to make or prosecute any Tax challenge and to reasonably cooperate with Lessee in any Tax challenge. At the conclusion of the challenge, Lessee shall pay the Tax to the extent that the Tax is held valid, plus all court costs, interest and penalties and other charges relating to the Tax.

4.13 Covenant Against Liens. Lessee will not directly or indirectly create or cause to be created or to remain, and will promptly discharge, at Lessee's sole expense, any mechanics' lien or similar lien against the Hospital which Lessee created or caused to be created by Lessee's work on the Hospital. Any lien against the Lessee shall attach only to Lessee's leasehold interest in the Hospital. Lessor will not directly or indirectly create or cause to be created or to remain, and will promptly discharge, at Lessor's sole expense, any mechanics' lien or similar lien against the Hospital or Hospital which Lessor created or caused to be created by Lessor's work on the Hospital. A party may, at the party's sole expense, contest any lien, and the lien may remain pending resolution of the challenge. The party challenging the lien shall indemnify and hold the other party harmless from any and all loss, damage or expense occasioned by the lien challenge. If the lien is adjudged to be valid, the challenging party shall promptly pay and discharge the lien.

4.14 Lessee's Maintenance of Hospital Assets. Lessee shall: (i) maintain the Hospital Assets in good operating condition, repair and appearance; (ii) maintain the Hospital Assets in accordance with the service and maintenance guidelines of the manufacturer of the Hospital Assets; (iii) promptly make and prosecute any warranty claims regarding the Hospital Assets; (iv) use the Hospital Assets in the regular course of business only, within its normal capacity and without abuse; and (v) maintain the Hospital Assets at Lessee's address indicated in Article 2. Lessor shall be entitled to conduct periodic inspections, evaluations, and inventories to determine the condition of Hospital Assets. Lessee shall cooperate with Lessor's request to conduct such inspections, evaluations, and inventories. Lessor shall provide Lessee with written notice at least ten (10) business days prior to any inspection, evaluation, or inventory and Lessor shall not unreasonably interrupt the normal operations of the Hospital in conducting its inspections, evaluations, and inventories.

5.15 Lessee's Capital Improvements Plan. Lessee's investment in the Hospital and Operating Assets must be greater than or equal to the depreciation of the same. Performance of this covenant shall be measured based on a three year running average.

4.16 Lessor's Right of Entry. After obtaining Lessee's consent, which shall not be unreasonably withheld or delayed, Lessor and Lessor's agents may enter the Hospital during Lessee's normal business hours to inspect the general condition and state of repair of the Hospital. Lessor's entry shall be supervised by Lessee, and Lessor shall not interfere with, or create a hazard to, Lessee's

business operations. In the event of an emergency arising within the Hospital that endangers property or persons, the consent requirement is waived by Lessee.

4.17 Lessor's Title. Lessor shall have and retain paramount title to the Hospital free and clear of any act or inaction of Lessee that may restrict or encumber the Hospital.

ARTICLE 6 CHANGES IN THE PARTIES

6.1 Relationship of Parties. Nothing contained in this Lease shall be construed as creating the relationship of principal and agent, debtor and creditor, partnership or joint venture.

6.2 Successors and Assigns. This Lease shall benefit and bind the successors and permitted assigns of Lessor and Lessee.

6.3 Lessee's Assignment and Subletting Without Lessor's Consent. Without Lessor's prior written consent, Lessee may not assign or sublet any part of this Lease, which consent shall not be unreasonably withheld by Lessor, except no such consent shall be required if Lessee's assignment or subletting is (i) to a subsidiary of Lessee, (ii) to the entity with which or into which Lessee may merge, whether or not Lessee is the survivor of the merger, (iii) to any affiliate of Lessee, or (iv) to a lender or other party as security for any financing or other obligation of Lessee, or (v) to an entity that is controlled by, controls, or is under common control with Lessee (or a valid assignee of Lessee), or (vi) for a Permitted Use. The term "**control**" means the power to direct or cause the direction of the management or policies, or majority ownership, of the entity.

6.4 Estoppel Certificate. From time to time upon not less than five business days prior written request by a party, the other party will deliver to the requesting party a certificate in writing, directed to a prospective purchaser, lender, or other third party, stating (i) that this Lease is unmodified and in full force and effect (or that the Lease as modified is in full force and effect, describing the modifications), and (ii) that the requesting party is not in default under any provision under this Lease (or, if in default, the nature of the default). If the party shall fail to respond within ten (10) business days of receipt the written request for the estoppel certificate, the party shall be deemed to have given the certificate without modification if (i) the written request for the certificate included a notice, in bold type, to the effect that failure to respond within the ten (10) day period would be deemed to be agreement to the certificate (and citing this Section) and (ii) the matter to which the certificate pertains is not the subject of a recorded document at the time that the party seeking or relying on the certificate purchases the Hospital or accepts a deed of trust or other financial instrument against the Hospital as collateral in connection with a loan or financing. A request for an estoppel certificate made to either party shall not be effective as notice of a change in identity of Lessor or Lessee, the parties recognizing that proposals to sell or mortgage real property may not be consummated.

6.5 Lessee's Equipment. From time to time upon not less than ten (10) business days' prior written request by Lessee, Lessor will deliver to Lessee a certificate in writing, directed to a lender or other third party, stating that Lessor (i) waives any right to equipment, trade fixtures or other property that may be affixed to, attached to or otherwise located on the Hospital, (ii) consents to any lien, security interest or other right of the lender or other third party to or in the equipment, trade fixtures or other property, and (iii) consents to the lender or other third party entering the Hospital during

reasonable business hours and without damage to the Hospital to exercise any privilege of sale, repossession or other foreclosure rights.

ARTICLE 7

LOSS AND DAMAGE TO HOSPITAL

7.1 Liability Insurance. Lessee shall purchase, obtain and maintain during the Term of this Lease a policy of commercial general liability insurance utilizing an Insurance Services Office standard form with broad form general liability endorsement, or equivalent, in an amount of not less than \$1,000,000.00 per occurrence and \$3,000,000 in the aggregate for bodily injury and property damage combined. The policy shall insure Lessee with Lessor as an additional insured and shall also insure against liability arising out of the use, occupancy or maintenance of the Hospital.

7.2 Property Insurance. Lessee shall purchase and obtain a policy of fire and extended coverage insurance in an amount equal to but not less than \$500,000 or the full insurable value (whichever is greater) of the improvements and an amount equal to the full insurable value (from time to time) of the Hospital, protecting Lessee against loss on account of damage to or destruction of the Hospital by fire or other casualty covered by a so-called "extended coverage" endorsement or a "special forms" policy, including, without limitation, vandalism and malicious mischief endorsements.

7.3 Insurance Provisions. If Lessee does not maintain the required insurance, then Lessee is in default, is deemed to self-insure and bears all risk of loss or damage. If Lessee does not maintain the required insurance, then Lessor has the right, but not the obligation, to purchase the required insurance in the amount of a commercially reasonable premium and from any qualified insurer, and to charge the premium to the Lessee as additional rent. The policy shall be with an insurer with a Best's rating of B+ or higher. Compliance with this Section shall not limit the liability of Lessee under this Lease. Lessee shall deliver to Lessor evidence of coverage for the required insurance policies within thirty (30) days after the Commencement Date. No policy shall be cancelled or modified in coverage or amount of coverage except after thirty (30) days prior written notice to Lessor. Lessee shall furnish Lessor with evidence of coverage for the renewal policies. Lessee may provide insurance in whole or in part by the use of a "blanket" policy or policies covering Lessee's interests in other properties in addition to the Hospital.

7.4 Waiver of Subrogation. To the extent permitted by their respective insurers, Lessor and Lessee (and each person claiming an interest in the Hospital through Lessor or Lessee) release and waive their entire right of recovery against the other for direct, incidental or consequential or other loss or damage arising out of, or incident to, the perils covered by insurance carried by each party, whether or not due to the negligence of Lessor or Lessee.

7.5 Damage or Destruction of Hospital.

7.5.1 Lessee's Duty to Rebuild. In the event of damage to or destruction of the Hospital, including any improvements made by Lessee, by fire or other casualty, Lessee shall give Lessor immediate notice and shall repair, restore or rebuild the improvements to the Hospital using insurance proceeds. Lessee shall not be obligated to rebuild the Hospital if a governmental entity prevents reconstruction of a similar building on the Hospital property. In this event, the Lease shall terminate as of the date of the fire or other casualty.

7.5.2 Schedule to Rebuild. Within one hundred eighty (180) days after the date of damage or destruction of the Hospital, Lessee, at its cost, shall prepare final plans and specifications complying with applicable laws that will enable a contractor to repair, restore and rebuild the Hospital. The plans and specifications shall be presented to Lessor, and Lessor shall be deemed to approve of the plans and specifications unless Lessor provides written notice to Lessee within twenty-one (21) days of Lessor's receipt of the plans and specifications that Lessor reasonably disapproves the plans and specifications. Lessee shall have twenty one (21) days after Lessor's actual or deemed approval to submit the plans and specifications to the appropriate government authorities. Lessee shall complete the work within a reasonable time after final plans and the appropriate governmental authorities have approved specifications and all required permits have been obtained. The period to complete the work shall be extended for delays resulting from causes beyond Lessee's control.

ARTICLE 8

DEFAULT BY LESSEE OR LESSOR

8.1 Default by Lessee. Lessee shall be in default under this Lease if any of the following occur: (i) Lessee fails to perform or observe any covenant, agreement or condition which Lessee is required to perform or observe under this Lease and the failure is not cured within ninety (90) days after delivery of written notice to Lessee of the failure (or, if the cure cannot be effected within the cure period, then within the additional period of time as may be required to cure the default provided Lessee is diligently and continuously pursuing the cure to completion); (ii) Lessee is named as a debtor in any voluntary or involuntary bankruptcy proceeding and the same is not stayed or dismissed within 90 days of such filing; (iii) substantially all of Lessee's assets are placed in receivership or are subjected to attachment or other judiciary seizure ; (iv) Lessee makes or suffers a general assignment for the benefit of creditors; (v) if Lessee's cash on hand drops below 30 days at the last day of any month and Lessee either fails to remedy this financial situation within five days of Lessee's receipt of written notice from the Lessor or Lessee and Lessor cannot come to an agreement regarding an extension of time to remedy this event within five days of Lessee's receipt of written notice from Lessor (vi) any third party, such as a federal or state agency, brings an action against the Lessee which action results in the loss of any license, permit, or other necessary approval which would make it impossible for the Lessee to carry on the Permitted Use; or (vii) Lessee vacates or abandons all or a substantial portion of the Hospital.

8.2 Remedies of Lessor. In the event of Lessee's default as set forth in Section 7.1, Lessor shall have the remedies set forth in this Lease by the giving of seven (7) days prior written notice to Lessee at any time during the continuance of the event of default. Lessor's remedies are cumulative and not alternative remedies.

8.2.1 Legal and Equitable Remedies. Lessor shall have all remedies available at law or in equity.

8.2.2 Termination of Lease. In addition to all other rights and remedies available to Lessor in law and equity, Lessor may (i) change the locks and lock the doors to the Hospital and exclude Lessee from the Hospital, (ii) enter the Hospital and remove all persons and property therefrom without being liable for prosecution or any claim for damages for the removal, (iii) declare the Lease terminated, and (vi) repossess the Hospital Assets.

8.2.3 Advance. In the event of Lessee's breach, Lessor may remedy the breach for the account and at the expense of Lessee. If Lessor at any time, by reason of the breach, is compelled to pay, or elect to pay, any money or do any act which will require the payment of any money, or are compelled to incur any expense, including reasonable attorneys' fees, in instituting or prosecuting any action or proceeding to enforce Lessor's rights under this Lease, the money paid by Lessor, with interest from the date of payment, shall be repaid by Lessee to Lessor.

8.3 Default by Lessor. Lessor shall be in default under this Lease only if Lessor fails to perform or observe any covenant, agreement or condition which Lessor is required to perform or observe, and the failure shall not be cured within ninety (90) days after delivery of written notice to Lessor by Lessee of the failure (or, if the cure cannot be effected within the ninety day period, then within the additional period of time as may be required to cure the default provided Lessor is diligently and continuously pursuing the cure to completion). In the event of an emergency threatening imminent and serious harm to person or property, then Lessee is (i) excused from the duty owed to Lessor to provide notice and the opportunity to cure, and (ii) entitled take any reasonable corrective action necessitated by the emergency.

8.4 Remedies of Lessee. In the event of Lessor's default as set forth in Section 7.3, Lessee shall have all rights provided at law or in equity, including but not limited to declaring the Lease immediately terminated.

ARTICLE 9 TERMINATION OF LEASE

9.1 Events of Termination. This Lease shall terminate upon the occurrence of one or more of the following events: (i) by mutual written agreement of Lessor and Lessee; (ii) by Lessor pursuant to this Lease; (iii) by Lessee pursuant to this Lease; (iv) upon lapse of the Term; (v) upon the failure of Lessee to maintain the Hospital Assets as provided by this Lease and as required to operate the Hospital in a manner set forth by this Lease; or (vi) upon failure of Lessee to comply with all requirements imposed by Idaho law regarding the use or disposition of the Hospital Assets, including but not limited to those requirements found in Idaho Code § 31-3515A.

9.2 Surrender of Possession. Upon termination of this Lease, Lessee will immediately surrender the Hospital as defined in Paragraph 2.3 to Lessor. If possession is not immediately surrendered, Lessor may, in compliance with Idaho law, reenter and repossess the Hospital and Hospital Assets and remove all persons or property.

9.3 Holding Over. If Lessee fails to deliver actual possession of the Hospital to Lessor upon termination of this Lease, Lessor shall have all remedies available at law or in equity generally available to it under Idaho law. Sixty days subsequent to the termination of this Lease Rent shall increase to the then current fair market rent.

9.4 Condition of Hospital Upon Termination. Lessee, upon termination or abandonment of this Lease or termination of Lessee's right of possession, agrees as follows:

9.4.1 Removal of Property. Except as permitted by this Lease, Lessee shall not remove any alterations, improvements or additions made to the Hospital by Lessee or others without the prior written consent of Lessor, which consent may be withheld for any reason or for no reason.

However, notwithstanding the foregoing Lessee may remove, in a good and workmanlike manner, (i) all personal property and trade fixtures of Lessee, and (ii) the Lessee will repair any damage caused by such removal in a good and workmanlike manner. If Lessee fails to remove any property, Lessor may (i) accept the title to the property without credit or compensation to Lessee, or (ii) remove and store the property, at Lessee's expense, in any reasonable manner that Lessor may choose.

9.4.2 Restoration of Hospital. Lessee shall restore the Hospital to a broom clean condition and in the condition existing on the Commencement Date, with the exception of (i) ordinary wear and tear, and (ii) alterations, improvements and additions which Lessor has not directed to Lessee in writing to remove. If Lessee fails to properly restore the Hospital, Lessor, at Lessee's expense, may restore the Hospital in any reasonable manner that Lessor may choose.

ARTICLE 10 CLAIMS AND DISPUTES

10.1 Rights and Remedies Cumulative. Except as expressly provided in this Lease, each party's rights and remedies described in this Lease are cumulative and not alternative rights or remedies.

10.2 Nonwaiver of Remedies. A waiver of any condition stated in this Lease shall not be implied by any neglect of a party to enforce any remedy available by reason of the failure to observe or perform the condition. A waiver by a party shall not affect any condition other than the one specified in the waiver and a waiver shall waive a specified condition only for the time and in the manner specifically stated in the waiver.

10.3 Indemnification. To the extent caused by an act or failure to act of Lessee or Lessee's partners, officers, directors, employees, invitees, guests, customers, clients or licensees, and regardless whether the act or failure to act is negligent, during and after the Term of this Lease, Lessee shall defend, indemnify and hold harmless Lessor, and Lessor's partners, officers, directors, agents and employees from any liabilities, damages and expenses (including attorney fees) arising out of or relating to (i) the Hospital, or (ii) Lessee's use or occupancy of the Hospital. To the extent caused by an act or failure to act of Lessor or Lessor's partners, officers, directors, employees, and regardless whether the act or failure to act is negligent, during and after the Term of this Lease, Lessor shall defend, indemnify and hold harmless Lessee, and Lessee's partners, officers, directors, agents and employees from any liabilities, damages and expenses (including attorney fees) arising out of or relating to (i) the Hospital, or (ii) Lessor's ownership of the Hospital.

10.4 Lessee's Hazardous Material Indemnification. During and after the Term of this Lease, Lessee shall indemnify, defend and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Hospital, damages for the loss or restriction on use of rentable or useable space or any amenity of the Hospital, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of Lessee's use of Hazardous Material as that term is defined under applicable law. This indemnification of Lessor by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material

present in the soil or ground water on or under the Hospital. Without limiting the preceding, if the presence of any Hazardous Material on the Hospital caused or permitted by Lessee results in any contamination of the Hospital, Lessee shall promptly take all actions at Lessee's sole expense as are necessary to return the Hospital to the condition existing prior to the introduction of any Hazardous Material to the Hospital.

10.5 Effect of Lessor's Insurance on Lessee's Obligation. From time to time and without obligation to do so, Lessor may purchase insurance against damage or liability arising out of or related to the Hospital. The purchase or failure to purchase insurance shall not release or waive the obligations of Lessee set forth in this Lease. Lessee waives all claims on insurance purchased by Lessor.

10.6 Dispute Resolution. If the parties disagree regarding the performance of this Lease, then the parties agree to engage in direct discussions to settle the dispute. If the disagreement cannot be settled by direct discussions, then the parties agree to first endeavor to settle the disagreement in an amicable manner by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. Thereafter, any unresolved disagreement arising from or relating to this Lease or a breach of this Lease shall be resolved as provided by law.

10.7 Attorney Fees and Costs. If a party is in default under this Lease, then the defaulting party shall pay to the other party reasonable attorney fees and costs (i) incurred by the other party after default and referral to an attorney and (ii) incurred by the prevailing party in any litigation related to the default.

10.8 Interpretation. Idaho law shall govern this Lease and Idaho courts shall have exclusive jurisdiction over matters arising under or related to this Lease. The invalidity of any portion of this Lease shall not affect the validity of any other portion of this Lease. This Lease constitutes the entire, completely integrated agreement among the parties and supersedes all prior memoranda, correspondence, conversations and negotiations. Whenever the consent of either party is required to an action under this Lease, consent shall not be unreasonably withheld or delayed.

ARTICLE 11 GENERAL PROVISIONS

11.1 Notices. All notices under this Lease shall be in writing and shall be deemed to be delivered on the date of delivery if delivered in person, by fax or by e-mail, or on the date of receipt if delivered by U.S. Postal Service or express courier. Proof of delivery shall be by affidavit of personal delivery, machine generated confirmation of fax transmission, e-mail confirmation, or return receipt issued by U.S. Postal Service or express courier. Notices shall be addressed to Lessor and Lessee at the addresses set forth in Article 2 (or at the other addresses one party may give to another party by written notice). Any party delivering notice by fax or e-mail shall simultaneously provide notice by U.S. Postal Service, return receipt requested, with the effective date of the notice to be the date of the fax or e-mail transmission.

11.2 Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

SIGNATURES

LESSOR:

TETON COUNTY

Date June ____, 2015

By: _____

Print Name: _____

Its: _____

LESSEE:

TETON VALLEY HEALTH CARE, INC.

Date: June ____, 2015

By: _____

Print Name: _____

Its: _____

Schedule 2.3 to Lease

All of the southwest quarter of Block 7 of the Driggs Townsite, located within the NE 1/4, of the SW 1/4, of Section 26, T5N, R45E, B.M., Teton County Idaho

All of the Lessor's interest in Lots 1, 2, 3 and 4 of Block 14 of the Driggs Townsite, located within the NE 1/4, of the SW 1/4, of Section 26, T5N, R45E, B.M., Teton Country Idaho

Schedule 3.5.2

Driggs Clinic Property:

BEGINNING at the Northwest corner of Block 14, Driggs Townsite in the city of Driggs,

Teton county, Idaho;

THENCE south 89°58'23" East, along the North line of said Block 14, a distance of 81.36 feet to a point on the Northerly extension of the east wall of an old stone walled building (clinic building);

THENCE South 00°03'12" West, along said East wall and its Northerly extension, 71.34 feet to the Southeast corner of the clinic building;

THENCE North 89°38'08" West, along the exterior wall of the clinic building, 11.98 feet to an inside corner of the clinic building;

THENCE South 00°08'03" East, along the exterior wall of the clinic building, 22.51 feet to an outside corner of the clinic building;

THENCE North 89°53'39" West, along the exterior wall of the clinic building, 30.73 feet to the Southwest corner of the clinic building;

THENCE South 00°06'21" West, 26.75 feet;

THENCE North 89°47'59" East, 30.40 feet;

THENCE South 00°03'12" West, 36.88 feet to the South line of that parcel described in the Special Warranty Deed under Teton County, Idaho Recorders Instrument No. 63383.

THENCE North 89°58'23" West, along the South line of said parcel, 68.97 feet to the West line of said Block 14;

THENCE North 00°00'18" East, along the West line of said Block 14, a distance of 157.25 feet to the POINT OF BEGINNING;

ENCOMPASSING an area of 10,927 square feet or 0.251 acres, more or less;

TOGETHER WITH an easement for ingress and egress purposes over and across the following described property;

BEGINNING at the Southeast corner of the hereinabove described parcel;

THENCE North 00°03'12" East, along the Easterly line of the hereinabove described parcel, 26.88 feet to an angle point in said Easterly parcel line;

THENCE North 00°48'43" East, 26.59 feet to the hereinabove described outside corner of the clinic building;

THENCE North 00°08'03" West, along the hereinabove described exterior wall of the clinic building, 22.51 feet to the hereinabove described interior corner of the clinic building;

THENCE South 89°38'08" East, along the hereinabove described exterior wall of the clinic building, 11.98 feet to the hereinabove described Southeast corner of said clinic building;

THENCE North 00°03'12" East, along the Easterly line of the hereinabove described parcel, 9.51 feet to the South face of the Northerly wall of a ramp leading to the clinic building;

THENCE South 89°36'09" East, along said South face of ramp wall and the Easterly extension thereof, 11.57 feet to the face of an interior wall of the Hospital building;

THENCE South 00°03'12" West, along said interior wall of the Hospital building, 8.42 feet to an inside corner of the interior walls in the Hospital Building;

THENCE North 89°36'09" West, along the face of said interior wall, 4.94 feet to a point on the Northerly extension of the exterior wall of said hospital building;

THENCE South 00°06'03" West, along said exterior hospital wall and its Northerly extension, 33.94 feet to an outside corner of said Hospital building;
THENCE South 00°03'12" West, 53.02 feet to the South line of that parcel described in the Special Warranty Deed under Teton County, Idaho Recorder's Instrument No. 63383.

THENCE North 89°58'23" West, along the South line of said parcel, 18.86 feet to the POINT OF BEGINNING.

SUBJECT TO a ten foot wide easement for utility purposes over and across the following described parcel:

COMMENCING at the Southwest corner of the hereinabove described parcel:

THENCE North 00°00' 18" East, along the west line of the hereinabove described parcel, 54.93 feet to the TRUE POINT OF BEGINNING;

THENCE North 86°21 '26" East, 38.72 feet to East line of the hereinabove described parcel;

THENCE South 00°06'21" West, along said East parcel line, 10.02 feet to a point on a line parallel with and 10 feet Southerly of the previously called line;

THENCE South 86°21 '26" West, along said parallel line, 38.70 feet to the West line of the hereinabove described parcel;

THENCE North 00°00' 18" East, along said West parcel line, 10.02 feet to the TRUE POINT OF BEGINNING.

ALSO SUBJECT TO a twenty foot side easement for ingress and egress purposes over and across the following described property;

BEGINNING at the Southeast corner of the hereinabove described parcel;

THENCE North 89°58'23" West, along the South line of the hereinabove described parcel, 68.97 feet to the Southwest corner of the hereinabove described parcel;

THENCE North 00°00' 18" East, along the West line of the hereinabove described parcel, 20.00 feet to a point on a line parallel with a 20 feet northerly of the South line of the hereinabove described parcel;

THENCE South 89°58'23" East, along said parallel line, 68.99 feet to the East line of the hereinabove described parcel;

THENCE South 00°03' 12" West, along said East parcel line, 20.00 feet to the POINT OF BEGINNING.

TOGETHER WITH all buildings, structures, improvements, fixtures and generally all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof

TO HAVE AND TO HOLD the Subject Property, with its appurtenances, unto the Grantee and its successors assigns forever.

Victor Clinic Property:

That real property generally described as follows:

A portion of the NW 1/4 SE 1/4 Section 11, TWP 3 North, Rng 45 East, B.M., Teton County, Idaho, being further described as: commencing at the Victor City control corner located at the intersection of Main Street and the Southerly lines of Blocks 15 and 16 (said point being S 37°31'40" W, 26.55' from the true center 1/4 corner of said Section 11), Thence South 378.59 feet; thence N 89°16'00" E, 65.48 feet, to a 6" concrete highway right-of-way monument, said point being the point of beginning) thence N 89°16'00" E, 165.00 feet; thence S 0°59'00" W, 116.54 feet; thence S 89°16'00" W, 163.00 feet, to a point on the easterly Right-of-Way of State Highway 33; thence North, along said Right-of-Way 116.50 feet, to the point of beginning.

Subject to reservations in United States and State Patents; existing and recorded Right-of-Ways, Easements, Zoning, Building and Subdivision ordinances; Taxes and Assessments as prorated between the parties hereto.

Property (subject to Wells Fargo Capital Lease), referred to as the "Raudman Property"

That real property generally described as follows:

All of the SW quarter, of the SW quarter, of Block 7 of the Driggs Townsite, located within the NE 1/4, of the SW 1/4, of Section 26, T5N, R45E, B.M., Teton County Idaho.

Schedule 3.5.3



Engineering the flow of communication™

01-23-2008

TETON VALLEY HOSPITAL
120 E HOWARD ST
DRIGGS, ID 83422-5112
Account No.: 20020697866

Dear: BLAINE RIPPLINGER

Thank you for speaking with me earlier today. In our conversation, we discussed your business' needs and how leasing your Pitney Bowes equipment may help you address them.

Attached is information on a lease package I feel would be a better fit with your postage in mind. This also would alleviate the issue of your business caring a second lease on equipment that is not being used. Please take a moment today to sign the agreement where indicated and fax it to me at 1-203-617-6368. If you have any questions, feel free to give me a call toll-free at 1-866-581-1234 EXT 5798.

Sincerely,

1022

Jason Grant
Pitney Bowes Account Manager
jason.grant@pb.com

359-5473



Engineering the flow of communication

Your Business Information

State & Local Term Rental account # 60

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TETON VALLEY HOSPITAL		CAN #		ORDER #	
Full legal name of renter		DBA name of renter		Tax ID # (FEIN/TIN)	
120 E HOWARD ST		DRIGGS		ID	
Billing address		City		State	
		() ext		Zip+4	
Billing contact name		Billing contact phone #		20020687866	
120 E HOWARD ST		DRIGGS		Billing CAN #	
Installation address (if different than billing address)		City		ID	
		() ext		State	
Installation contact name		Installation contact phone #		Zip+4	
				20020687866	
				Installation CAN #	
Credit Card #		Name on card		Exp date	
				Type of card	
Tax exempt #		State tax (if applicable)		Fiscal period (from - to)	

Your Business Needs

Qty	Business Solution Description
	Mail Stream Solution - 1
1	DM300C/ 5lb Weighing Platform
1	IntelliLink Interface / PSD for DM300C/ DM400C/DM450C
1	Accounting (50 Dept) Software
1	Professional Installation
1	IntelliLink Subscription

Check items to be included in customer's payment

☒ Equipment Maintenance

Provides service coverage including certain parts and labor

☐ Software Maintenance

Provides revision updates and technical assistance

☒ Soft-Guard® Subscription

Provides postal and carrier updates

If you do not elect to include Soft-Guard® protection with your lease, you will automatically receive updates at the then-current rates.

☒ IntelliLink™ Subscription/Meter Rental

Provides simplified billing and includes () resets per year

() Confirmation Services

() Purchase Power

Electronic access to postal confirmation services
Receive an invoice for postage, consolidated billing,
and enhanced if engagement reporting information.

Your Payment Plan

Number of months	Monthly amount*
First 60	\$ 189

* Monthly Billing Only

() Required advance check of \$ () received

(X) Tax exempt certificate attached

Initial Rental Term

Your Acknowledgement

By your signature as "Renter" below, you request that we rent to you the equipment described above as an "Equipment" for specific governmental purposes in consideration of your payment to us of the amounts set forth in the Payment Schedule, subject to the terms and conditions provided in this Agreement. For purposes of this Agreement, all payments set forth in the Payment Schedule shall be referred to as the "Total Payments." The payments referred to in the Payment Schedule shall be payable only to us at our executive offices unless we direct you otherwise in writing.

1. NON-APPROPRIATION. You warrant that you have funds available to pay the Total Payments until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay the Total Payments in each subsequent fiscal period through the end of your initial Term. If your appropriation request to your legislative body, or funding authority (Funding Body) for funds to pay the Total Payments is denied, you shall terminate this Agreement on the first day of the fiscal period for which funds have been appropriated, upon (i) submission of documentation reasonably satisfactory to us evidencing the Funding Body's denial of an appropriation sufficient to continue this Agreement for the next fiscal period, and (ii) satisfaction of all charges and obligations under this Agreement incurred through the end of the fiscal period for which funds have been appropriated, including the return of the equipment at your expense.

Signature	Date
	2/18/08
Print name	Title
Timothy Needy	CFD
Account rep	Small address

District office

PBGFS acceptance

Form **8038-GC**

(Rev. November 2000)

Department of the Treasury
Internal Revenue Service**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**

OMB No. 1545-0720

Under Internal Revenue Code section 149(e)

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting AuthorityCheck box if Amended Return ☐

- 1 Issuer's name
TETON VALLEY HOSPITAL
- 2 Issuer's employer identification number
870614415
Room/suite
- 3 Number and street (or P.O. box if mail is not delivered to street address)
120 E HOWARD ST
- 4 City, town, or post office, state, and ZIP code
DRIGGS ID 83422-5112
- 5 Report number
5
- 6 Name and title of officer or legal representative whom the IRS may call for more information
- 7 Telephone number of officer or legal representative
()

Part II Description of Obligations Check if reporting: a single issue ☒ or on a consolidated basis ☐

- 8a Issue price of obligation(s) (see instructions) **8a**
- b Issue date (single issue) or calendar year (consolidated) (see instructions) **8b**
- 9 Amount of the reported obligation(s) on line 8a:
a Used to refund prior issue(s) **9a**
b Representing a loan from the proceeds of another tax-exempt obligation (e.g., bond bank) **9b**
- 10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ☐
- 11 If any obligation is in the form of a lease or installment sale, check this box ☒
- 12 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box ☒

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

Issuer's authorized representative

2/18/08
Date**Calvin Carey CFO**
Type or print name and title**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 12 instructions).

Filing a consolidated return. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File**To file a separate return,** file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.**To file a consolidated return,** file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.**Late filing.** An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev. Proc. 88-10, 1988-1 C.B. 635, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "This Statement Is Submitted In Accordance with Rev. Proc. 88-10." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See **Where To File** below.**Where To File**

File Form 8038-GC, and any attachments, with the Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use Form 8038-T, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions**Obligations.** This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.**Tax-exempt obligation.** This is a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.**Tax-exempt governmental obligation.** A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(c).**Private activity bond.** This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and

More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (e.g., under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date the issue is issued. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. If this is an amended Form 8038-GC, check the amended return box. Complete Part I and only those lines of Form 8038-GC that are being amended. Do not amend estimated amounts previously reported once the actual amounts are determined. (See the Part II instructions below.)

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. This form may be obtained at Social Security Administration offices or by calling 1-800-TAX-FORM. If the EIN has not been received by the due date for Form 8038-GC, write "Applied for" in the space for the EIN.

Line 5. After the preprinted 5, enter two self-designated numbers. Number reports consecutively during any calendar year (e.g., 534, 535, etc.).

Part II—Description of Obligations

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue, generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the calendar year during which the obligations were issued.

Lines 9a and 9b. For line 9a, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Both line 9a and 9b may apply to a particular obligation. For example, report on line 9a and 9b obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 11. Check this box if property other than cash is exchanged for the obligation, e.g., acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. Do not check this box if the proceeds of the obligation are received in the form of cash, even if the term "lease" is used in the title of the issue.

Line 12. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form 1 hr., 58 min.

Preparing the form 3 hr., 3 min.

Copying, assembling, and sending the form to the IRS 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. Do not send the form to this address. Instead, see **Where To File** on page 1.

**STATE & LOCAL TERM RENTAL AGREEMENT
TERMS AND CONDITIONS**

- 1. NON-APPROPRIATION.** You warrant that you have funds available to pay the Total Payments, as defined in Page One, until the end of your current fiscal period, and shall use your best efforts to obtain funds to pay the Total Payments in each subsequent fiscal period through the end of the referenced term (the "Term"). If your appropriation request to your legislative body, or funding authority ("Governing Body") for funds to pay the Total Payments is denied, you may terminate this Agreement on the last day of the fiscal period for which funds have been appropriated, upon (i) submission of documentation reasonably satisfactory to us evidencing the Governing Body's denial of an appropriation sufficient to continue this Agreement for the next succeeding fiscal period, and (ii) satisfaction of all charges and obligations under this Agreement incurred through the end of the fiscal period for which funds have been appropriated, including the return of the Equipment at your expense.
- 2. TERM; NON-ASSIGNABILITY.** This Agreement shall commence on the date of delivery and shall continue until the earlier of (i) termination at our option upon the occurrence of an event of default, or (ii) the occurrence of an event of a non-appropriation under Section 1, or (iii) the expiration of the Term and your payment of all Total Payments and other sums due and your fulfillment of all other obligations under this Agreement. **YOU MAY NOT ASSIGN, TRANSFER, OR SUELY ANY INTEREST IN THIS AGREEMENT, OR THE EQUIPMENT WITHOUT OUR PRIOR WRITTEN CONSENT.**
- 3. TOTAL PAYMENT.** You will pay each and every Total Payment, subject to your right of non-appropriation as provided in Section 1. All Total Payments and other sums due shall be payable to us at our executive office, until we direct you otherwise in writing. We may increase the Total Payment as a result of any imposition of, or increase in, taxes as provided in Sections 7 or 8. Your obligations, including your obligation to pay the Total Payments due in any fiscal year during the term of this Agreement, shall constitute a current expense for such fiscal year and shall not constitute an indebtedness within the meaning of the constitution and laws of the state in which you are located. Nothing herein shall constitute a pledge by you of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for your benefit for this Agreement) to the payment of any Total Payment due under this Agreement. A one time documentation fee to cover the origination, documentation and processing of this Agreement is included in your equipment cost and made a part of your Total Payments. **REGARDLESS OF ANY LOSS OR DAMAGE TO THE EQUIPMENT OR ANY OTHER REASON, YOU ARE REQUIRED TO PAY US ALL TOTAL PAYMENTS AND OTHER SUMS DUE UNDER THIS AGREEMENT. ALL TOTAL PAYMENTS SHALL BE PAID BY YOU WITHOUT DEDUCTION AND IRRESPECTIVE OF ANY SET-OFF, COUNTERCLAIM, RECOUPMENT, DEFENSE OR OTHER RIGHT WHICH YOU MAY HAVE AGAINST US, OR ANY OTHER PARTY.**
- 4. REPAIRS; USE.** You shall, at your expense, keep the Equipment in good repair, condition, and working order, and shall not alter the Equipment without our prior written consent. You shall use the Equipment only in the manner specified in the manuals and instructions covering the Equipment and will not permit the Equipment to be used in a trade or business of any other person or entity.
- 5. RISK OF LOSS.** You are responsible for Equipment loss, damage or destruction from any cause, whether or not insured. You shall provide, maintain, and pay for: (a) insurance against Equipment loss, theft, damage, or destruction, for the full replacement value of the Equipment, with loss payable to us, and (b) public liability and property damage insurance naming us as an additional insured. Such insurance and types and amounts of coverage (and written evidence thereof delivered to us at our request) shall be satisfactory to us. No Equipment loss, theft, damage or destruction shall relieve you of your obligation to pay the Total Payments or any other obligation under this Agreement. We shall bear the risk of loss during shipment of the Equipment.
- 6. REPRESENTATIONS.** You hereby represent and warrant that (a) you are a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"); and (b) you have the power and authority under applicable law to enter into this Agreement and you have been duly authorized to execute and deliver this Agreement and carry out your obligations hereunder. You acknowledge that a portion of each Total Payment you shall pay includes interest and that this Agreement is entered into based on the assumption that the interest portion of each Total Payment is not includible in gross income of the owner thereof for Federal income tax purposes under Section 103(a) of the Code. You shall, at all times, do and perform all acts and things necessary and within your control in order to assure that such interest component shall be so excluded. If any interest is determined not to be excludible from gross income, your Total Payment shall be adjusted in an amount sufficient to maintain our original after tax yield utilizing our consolidated marginal tax rate, which adjusted Total Payments you agree to pay as provided in this Agreement, subject to Section 1. The rate at which the interest portion of Total Payments is calculated is not intended to exceed the maximum rate or amount of interest permitted by applicable law. If such interest portion exceeds such maximum, then at our option, if permitted by law, the interest portion will be reduced to the legally permitted maximum amount of interest, and any excess will be used to reduce the principal amount of your obligation or be refunded to you. You shall not do (or cause to be done) any act which will cause, or by omission of any act allow, this Agreement to be an "arbitrage bond" within the meaning of Section 148(n) of the Code or a "private activity bond" within the meaning of Section 141(a) of the Code. At the time of your execution of this Agreement, you shall provide us with a properly prepared and executed copy of the appropriate US Treasury Form 8038-G or 8038-GC and you appoint us as your agent for the purpose of maintaining a registration system as required by Section 149(a) of the Code. Notwithstanding any other provision of this Agreement, this Section shall survive the termination of this Agreement.
- 7. TAXES; NO LIENS; TITLE.** As we direct, you shall pay all charges and taxes (including any customary fees or costs associated with the administration, billing and tracking of such charges and taxes) incurred by us which may be imposed or levied upon this Agreement, documentation, the billing or receiving of the Total Payments and the sale, purchase, personal property ownership, leasing, value, possession, or use of the Equipment, excluding taxes on or measured by our net income (unless such taxes result from your breach of any representation set forth in Section 8). You shall keep the Equipment free and clear of all liens and encumbrances, subject to the following sentence. You grant us a security interest constituting a first lien on the Equipment (including any replacements, substitutions, additions, attachments and proceeds) and authorize us to file a financing statement with respect to such security interest. Title to the Equipment shall pass to you upon installation. However, you and we agree that title shall automatically revert to us in the event of default, or termination due to your non-appropriation under Section 1.
- 8. ASSIGNMENT.** We may assign this Agreement, or pledge or mortgage the Equipment, in whole or in part without notice to you, and in such event, you agree, upon notice and request by us, to pay directly to any assignee all amounts payable hereunder without deduction, offset, defense or counterclaim and that such assignee shall thereafter have all of our rights and benefits (but none of our obligations) hereunder. We shall remain responsible for all of our obligations hereunder. Further, upon receipt of a request, you shall acknowledge any assignment. You acknowledge that any assignment, or granting of a security interest by us, will neither materially change your duties under this Agreement, nor increase your burdens or risks under this Agreement.
- 9. LATE PAYMENT/RETURNED ITEM CHARGES.** If any payment required herein is not paid in full on or before its due date, you shall pay to us the then applicable fee being charged by us in connection with the administration of delinquent accounts. You shall also pay interest on any such late payment from the due date thereof until the date paid at 18% or the maximum rate allowed by law. For each dishonored or returned payment item, check or draft you shall pay to us the then applicable fee being charged by us in connection with our handling of returned items.

10. DEFAULT. If you fail to pay when due any amount required under this Agreement, make any misrepresentation, breach any warranty or fail to perform any other obligation hereunder, we may, without demand or notice, exercise any one or all of the following remedies: (a) terminate this Agreement, (b) take possession of the Equipment, (c) declare the entire amount due and to become due under this Agreement for the then current fiscal period for which funds have been appropriated to be immediately due and payable, and (d) pursue any other remedy permitted by law or in equity. You will be responsible for all related damages and legal and other costs and expenses incurred by us in enforcing the provisions herein. To the extent permitted by applicable law, you waive the provisions of UCC Sections 2A-508 through 2A-522.

11. NOTICES. All notices under this Agreement shall be mailed, first class postage prepaid, to the recipient at its address set forth on this Agreement, or at such other address as each party may provide in writing from time to time. Such notices shall be effective on the date they are mailed.

12. SURRENDER OF EQUIPMENT. If you default, or terminate this Agreement by non-appropriation under Section 1, you, at your expense, shall return all Equipment by delivering it to us in the same condition as when delivered to you, reasonable wear and tear excepted, to such place or on board such carrier, packed for shipping, as we may specify. Until the Equipment is returned as required above, all terms of this Agreement remain in effect including, without limitation, your obligations to make payments relating to your continued use of the Equipment and to insure the Equipment.

13. INDEMNIFICATION. To the extent allowed by applicable law, you agree to indemnify, defend and hold us and persons acting on our behalf harmless from and against any and all costs, expenses, damages, fines, settlements, claims or liability, including reasonable attorneys' fees (collectively, "Claims") arising out of or relating to your performance under this Agreement or use of the Equipment, excluding those adjudged to have arisen solely from our gross negligence or willful misconduct. We shall give you prompt written notice of such Claims under this Section made upon us. Further, notwithstanding your obligation to defend, we retain the right, at your expense, to defend, and after consultation with you to settle or compromise the claims and actions.

14. PURCHASE ORDER USE. You may use a Purchase Order to offer to obtain use of Equipment and receive other services, provided however, if a purchase order is issued, none of its terms and conditions shall supplement, amend, modify or supersede the terms and conditions of this Agreement, nor shall any of its terms be incorporated herein and it shall have no effect except with respect to Equipment description, Equipment quantity, Term, requested services, Trial Payments and Equipment location (the "Equipment/Service Detail"). Any provisions other than the Equipment/Service contained in a purchase order are hereby expressly objected to.

15. MISCELLANEOUS. This Agreement including the Equipment Service Level Agreement and Equipment Guide, if applicable, constitutes the entire agreement between the parties. This Agreement may not be amended, altered or changed except by a written agreement signed by the parties. If any provision should be found illegal, invalid or void, that provision is severable and should be considered deleted from this Agreement. The remaining provisions shall not be impaired and this Agreement shall be interpreted to the extent possible to give effect to the parties' intent. This Agreement shall inure to and be binding on the successors, heirs, transferees and the permitted assigns of the parties.

The following terms and conditions apply to all equipment service level agreements:

1.0 Basic Equipment Maintenance. To obtain service or emergency repair, you must contact PBI for service during its normal working hours (8am - 5pm in the time zone where the equipment is located, Monday through Friday, excluding holidays) ("Normal Working Hours") or you may place a request for service via its website www.pb.com. In addition, you have access to remote telephone support through the toll free response center (8 am to 8 pm EST, Monday through Friday, excluding holidays) at 1-800-322-0020. Depending on your Equipment type and at its option, PBI reserves the right to

service your Equipment by (a) Service by Replacement with new, reconditioned or remanufactured equipment, depending upon the age of the Equipment and the nature of the performance problem, or (b) On-site service, remote diagnostics or off-site service, including now (or equivalent to now) parts and assemblies replacement needed due to normal wear. Parts or assemblies for discontinued equipment (and/or equipment not marketed as new will be provided only if available. If service is provided for your Equipment by replacement and your problem cannot be resolved over the telephone, PBI will, at no cost to you, promptly ship new, reconditioned or remanufactured equipment to replace your Equipment. Within five (5) days of receipt of the replacement equipment, you must pack your defective Equipment in the shipping carton that contained the replacement equipment, place the shipping paid return address label on the carton and return it to PBI. You are responsible for the value of, and any damages to, the Equipment until PBI receives it. If service is provided for your Equipment by on-site service, remote diagnostics or off-site service, and if deemed necessary by PBI, a service engineer in most cases will be dispatched to arrive at your location for on-site service. There will be no hourly charges unless service is performed outside PBI's Normal Working Hours set forth above. Lubricants and other materials needed to service your Equipment are provided without additional charge. Notwithstanding the foregoing, consumable supplies for all levels of service and printheads for meters, IntelliLink® equipment and printers for standard service are not covered by this SLA. Professional services other than those set forth herein are not covered by this SLA. Rate program software for electronic scales and weighing systems is excluded from coverage under this SLA.

2.0 Exclusions. This SLA excludes services and repairs that are made necessary due to negligence or accident, damage in transit, virus contamination and loss of data, use of Equipment in a manner not authorized by this SLA or other applicable purchase, lease or licensing agreement, external forces, use of Equipment in an environment with unsuitable humidity and/or line voltage, loss of electrical power, power fluctuation, operator error, casualty (such as fire, flood, or other natural causes), sabotage, repair or attempted repair by anyone other than PBI, the use of supplies or other hardware or software in connection with the Equipment not meeting PBI specifications, failure to use applicable software updates and/or use of Equipment with any system for which PBI has advised it will no longer provide support or has advised is no longer compatible.

3.0 Term. THE INITIAL TERM OF THIS AGREEMENT SHALL BE A TWELVE (12) MONTH PERIOD OR SUCH LONGER TERM AS MAY BE PROVIDED IN ANY LEASE AGREEMENT RELATING TO THE EQUIPMENT FOR WHICH MAINTENANCE COVERAGE IS PURCHASED PURSUANT TO THIS SLA AND SHALL BE AUTOMATICALLY RENEWED FOR SUCCESSIVE TWELVE (12) MONTH PERIODS (OR UNTIL EXPIRATION OR TERMINATION OF THE LEASE AGREEMENT), UNLESS PITNEY BOWES RECEIVES FROM YOU WRITTEN NOTICE OF TERMINATION AT LEAST SIXTY (60) DAYS BEFORE THE END OF THE INITIAL TERM OR THE THEN CURRENT RENEWAL TERM. SUCH NOTICE SHALL BE PROVIDED TO THE FOLLOWING ADDRESS: Pitney Bowes Inc., 2225 American Drive, Neenah, WI 54956. All amounts invoiced under this SLA are due and payable to Pitney Bowes upon your receipt of each invoice.

4.0 Modification; Termination. Pitney Bowes may, from time to time, change the services provided under this SLA, modify the terms of this SLA, or terminate such services or this SLA, at Pitney Bowes' discretion, with notice to you. If the equipment covered by this Agreement is moved from its original location, Pitney Bowes may elect, in its sole discretion and upon written notice to you, to revise this agreement to delete the on-site response times set forth in Section 1.1.0. In the event of such a revision, you will receive a pro-rata refund for the remaining term of your agreement reflecting the cost of that additional on-site guaranteed response time service as compared to the cost of maintenance coverage without such response time obligation. Pitney Bowes will advise you, in such notice, if it believes, in its sole judgment, that any such change in services or modification of terms is material. If you receive notice that any such change in services or modification of terms is material, you may terminate this SLA by delivering to Pitney Bowes written notice of your desire to terminate within thirty (30) days after your receipt of such



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notice from Pitney Bowes. Any such termination by you shall be effective ten (10) business days after Pitney Bowes' receipt of your notice of termination. Your notice must include your Customer account number and, if applicable, your lease number and be sent to Pitney Bowes, by certified mail, return receipt requested, at the following address: Pitney Bowes Inc., 2225 American Drive, Neenah, WI 54956. If you breach any applicable term of this or any other agreement with Pitney Bowes or any of our affiliates, Pitney Bowes may immediately terminate this SLA. Pitney Bowes may also recover all expenses incurred in enforcing its rights under this SLA, including reasonable attorneys' fees and interest to the maximum extent permitted by law. If Pitney Bowes no longer offer maintenance service for the Equipment or this SLA is terminated by Pitney Bowes or if you have terminated this SLA as provided in this Section 4.0, Pitney Bowes' sole obligation shall be a pro-rata refund of fees paid for the terminated services except if the termination is due to your breach of this SLA.

5.0 Fees. Adjustments to SLA rates will be made only at renewal time. If your Equipment is regularly operated more than one eight-hour shift per day, five days per week, a surcharge will be added to your annual rate. Pitney Bowes reserves the right not to renew this SLA at any time and for any reason including, but not limited to, age of the Equipment or excessive cycle count, or your refusal to pay any amounts due under this SLA. If any payment under this SLA is not made in full on or before its due date, you shall pay Pitney Bowes' then applicable administrative fee assessed on delinquent accounts, including interest from its due date until paid in full, at the lesser of 1.5% per month or the maximum rate allowed by law. Your signature is FBI's assurance that you have the authority to enter into this SLA. Pitney Bowes' acceptance is signified when its authorized invoice is issued or by its acceptance of your payment.

6.0 Liabilities Warranty. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, PITNEY BOWES MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES FURNISHED HEREUNDER. OTHER THAN THE LIQUIDATED DAMAGES THAT MAY BE APPLICABLE TO SERVICE LEVEL AGREEMENTS WITH GUARANTEED RESPONSE TIMES UNDER SECTION 11, IN NO EVENT WILL PITNEY BOWES BE LIABLE FOR ANY DAMAGES, INCLUDING ANY LOST PROFITS OR INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR OTHER DAMAGES, EVEN IF FBI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WITHOUT LIMITING THE FOREGOING, PITNEY BOWES' LIABILITY ARISING OUT OF CONTRACT, NEGLIGENCE, STRICT LIABILITY, IN TORT OR WARRANTY, OR OTHERWISE SHALL NOT EXCEED THE AMOUNTS PAID BY YOU FOR EQUIPMENT MAINTENANCE PROVIDED DURING THE 12-MONTH TERM DURING WHICH SUCH LIABILITY AROSE WITH RESPECT TO SUCH SERVICE.

7.0 General

For your convenience, if you replace the Equipment covered by this SLA, your coverage will remain in effect on the replacement Pitney Bowes equipment (if the equipment qualifies) at Pitney Bowes' then current annual rate for the replacement equipment. If you acquire an attachment to your covered Equipment or add a unit to a covered integrated system, Pitney Bowes will provide coverage for any qualifying attachment or unit and adjust your rate accordingly. If you do not elect to continue coverage on the replacement equipment, you may cancel this SLA within thirty (30) days after the date of your initial invoice, and any further maintenance or repair services provided for your Equipment will be subject to Pitney Bowes' then current chargeable rates for maintenance and emergency repair services. You may have additional remedies available under Pitney Bowes' Customer Satisfaction Guarantee Program as established by Pitney Bowes from time to time. In no event (including under the Customer Satisfaction Guarantee Program) will Pitney Bowes be liable for any damages including any lost profits, or other incidental or consequential damages for nonperformance of any obligations under this SLA. This SLA comprises the entire agreement between us with regard to the subject covered, and supersedes all prior statements, understandings and agreements, oral or written, or other documents if they purport to obligate us in any way beyond the terms of this SLA. Purchase

orders or any other document that add to, vary from, or conflict with these terms are rejected. The terms of any software license agreement or software maintenance agreement between Pitney Bowes and you relating to the Equipment covered under this SLA shall have priority over the terms of this SLA. Pitney Bowes shall not be held responsible or incur any liability for any delay or failure in performance of any part of this SLA to the extent that such delay or failure results from causes beyond its control, including but not limited to fire, flood, explosion, war, terrorism, labor dispute, embargo, government requirement, civil or military authority, natural disasters, or other similar types of situations.

The following terms apply to equipment service level agreements with training and equipment service level agreements with guaranteed response time (as elected on the cover page of the lease). They do not apply to basic equipment service level agreements.

8.0 Training Services. You may receive training during the term of this Agreement at a time mutually agreed upon by both parties. Such training will include an overview to the operator(s) on how to use the Pitney Bowes equipment covered by this Agreement. The number of training sessions that are included as part of the annual fees for your service level agreement are as follows:

- mail finishing products (which includes meters and scales) receive up to twenty four (24) training sessions in each twelve month period;
- certain mail finishing accounting solutions receive up to four (4) training sessions in each twelve month period; and
- mail creation products (which includes tabletop folders, tabletop inserters and address printers and the Dymach® mailing system) receive up to four (4) training sessions in each twelve month period.

9.0 Additional covered items. Printheads for meters, Intellilink® equipment and printers are provided without additional charge.

The following terms apply to equipment service level agreements with guaranteed response time (as elected on the cover page of the lease). They do not apply to basic equipment service level agreements and/or equipment service level agreements with training.

10.0 Preventive Maintenance Services. Pitney Bowes shall perform preventive maintenance on the Equipment which shall include maintenance of all non-expendable parts, cleaning, lubrication, and adjustments, when applicable. Preventive Maintenance services shall be performed at regular intervals scheduled in advance at a time convenient for both parties and based on the manufacturers' recommended preventive maintenance schedules.

11.0 Response Time. If Pitney Bowes determines that on-site service is necessary, Pitney Bowes shall use reasonable commercial efforts to have a service technician on-site within four (4) business hours of our receipt of your call to FBI's toll free number in Section 1.0. Pitney Bowes' business hours are Monday through Friday, 8 am to 5 pm in the time zone where the Equipment is located, excluding holidays. You acknowledge, however, that this response time relates solely to the arrival of a technician at your location, and that response time does not indicate the time to resolve a problem. This is not a guarantee of problem resolution during such four (4) hour time period, nor does it guarantee that all parts necessary to make a repair will be on-site within these time frames. In your discretion, you may elect to schedule service at a time outside of the four (4) hour response time set forth herein. Products designated as service by replacement, software maintenance, preventive maintenance, operator training or other services not essential to restore equipment to a functional condition will be scheduled in advance and are not part of the response times set forth herein.

12.0 Liquidated Damages for Failure to Meet Response Time. Pitney Bowes agrees that if it does not respond to your site within four (4) hours of receipt of the request for service, Pitney Bowes will reimburse you a credit



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equal to three (3) months of the cost of the premium associated with the cost of the additional on-site guaranteed response time service as compared to the cost of maintenance coverage without such response time obligation ("Premium") upon your completion of refund form. You may request the refund form from your service technician or by calling the toll free number set forth in Section 1.0. Pitney Bowes will then review your request for a refund and shall determine whether a credit shall be issued based upon the information provided by you and a review of its own records. The credits set forth herein are limited to credits for two (2) failures to meet the response time obligations in Section 1.0 in any twelve (12) month period.



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EQUIPMENT GUIDE

DEFINITIONS. "PBI", "we" or "us" means Pitney Bowes Inc. "PBGPS" means Pitney Bowes Global Financial Services LLC. "Bank" means The Pitney Bowes Bank, Inc. "Party" shall mean each of PBI, PBGPS, Bank or you. "You" and "Your" means the customer.

WARRANTY. 1. **Warranty.** Pitney Bowes Equipment (hereinafter "Equipment"), Rate Software and PROM's are warranted by PBI to be free from defects in material and workmanship and to perform according to their specifications for 90 days from the date of installation. If a defect in material or workmanship or a failure to perform within specifications occurs within the first 90 days after installation, PBI will repair it or, at its option, replace it at no charge. A "defect" does not include the failure of rates embodied in a Rate Update to conform to published rates as a result of carrier rate changes. The performance of services by PBI shall be done in a professional and workmanlike manner. There is no warranty for services and repairs that are made necessary due to negligence or accident, misuse, usage which exceeds manufacturer's recommended usage, damage in transit, virus contamination or loss of data, misuse or abuse, external forces, loss of power, power fluctuation, operator error, casualty (such as fire, flood, or other natural causes), sabotage, repair or attempted repair by anyone other than PBI or the use of supplies not meeting PBI specifications. The warranty does not cover consumable parts or supplies such as belts, ink, ink rollers, sealer and maintainer brushes, bulbs, felts and sponges or for parts worn out due to extraordinary use of the Equipment. 2. **Disclaimer and limitation on liability.** EXCEPT AS STATED ABOVE, PBI MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PBI WILL NOT BE LIABLE FOR ANY DAMAGES YOU MAY INCUR BY REASON OF YOUR USE OF THE EQUIPMENT OR THE FAILURE OF THE EQUIPMENT TO OPERATE, INCLUDING INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, EVEN IF PBI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

ACKNOWLEDGMENT OF DEPOSIT REQUIREMENT. By signing this IntelliLink™ Subscription/Meter Rental Agreement, you represent that you have read the Acknowledgment of Deposit Requirement and are familiar with its terms. You agree that upon execution of this Agreement with PBI, you will also be bound by all terms and conditions of the Acknowledgment of Deposit Requirement, as it may be amended from time to time.

USPS ACKNOWLEDGMENT OF DEPOSIT. By electing to lease or use computerized meter roasting system ("CMRS") meter equipment, you must transfer funds to the United States Postal Service ("USPS"), through a lockbox bank ("Lockbox Bank") for the purpose of prepayment of postage on CMRS-equipped meters ("Deposit"). 2. After the effective date of the lease or meter rental agreement between you and PBI, you may, from time to time, make Deposits in the Lockbox Bank account identified as: "United States Postal Service CMRS-PB." The USPS may, at its discretion, designate itself or a successor as recipient of Deposits by you. 3. Any Deposit made by you shall be credited by the USPS only for the payment of postage for CMRS equipment. Such Deposits will be held within the Postal Service Fund at the U.S. Treasury and may be commingled with Deposits of other customers. You shall not receive or be entitled to any interest or other income earned on such Deposits. 4. The USPS will provide a refund to you for remaining postage balances in CMRS equipment. The Lockbox Bank will provide a refund to you for deposits otherwise held by the USPS. These refunds are provided in accordance with the rules and regulations governing deposit of funds for CMRS, published in the Domestic Mail Manual or its successor. 5. The Lockbox Bank, which shall collect funds on behalf of the USPS, shall provide PBI, on each business day, information as to the amount of each Deposit made to the USPS by you, as PBI can update its records. 6. PBI may deposit funds on your behalf. The USPS will make no advances. Any relationship concerning advances is between you and PBI, PBGPS and/or the Bank. 7. You acknowledge that the terms of this arrangement may be changed, modified, or revoked by the USPS, with appropriate notice. 8. USPS regulations governing the deposit of funds for CMRS are published in the Domestic Mail Manual or its successor. You shall be subject to all applicable rules, regulations, and orders of the USPS, including future changes to such rules, regulations and orders, and such additional terms and conditions as may be determined in accordance with applicable law. The USPS rules, regulations, and orders shall prevail in the event of any conflict with any other terms and conditions applicable to any Deposit. 9. By engaging in any transaction through the Lockbox Bank, which will have the effect of setting postage through CMRS meter equipment, your activities concerning CMRS are subject to this USPS Acknowledgment of Deposit.

INTELLILINK® SUBSCRIPTION/METER RENTAL. Pursuant to United States Postal Service ("USPS") regulations, PBI must own the IntelliLink® Control Center or Meter (which includes the postal security device, the user interface or keyboard and display and the print engine), and you may rent and use it solely for the purpose of processing your mail, provided that you have a valid USPS meter license and you comply with (i) these provisions and (ii) all applicable USPS regulations. Your rights of use and rental shall be coterminous with your Lease ("Initial Term") and may not be cancelled during the Initial Term. You will be billed the subscription or rental fees set forth in your Lease. After the Initial Term, the use and rental provided for herein may be cancelled by either party upon 30 days prior written notice. After termination, you must return the IntelliLink® Control Center or Meter to PBI in the same condition as you received it, reasonable wear and tear excepted. Your subscription and/or rental fees will not be increased during the Initial Term. After the Initial Term, PBI may increase the subscription and/or rental fees upon 30 days' prior written notice, provided no notice will be given if such increase is being offset by a corresponding reduction in your lease payment. When you receive notice of an increase, you may terminate this use and rental as of the date the increase becomes effective. Your IntelliLink® Control Center and/or Meter may require periodic rate information updates that you can obtain under our Soft-Guard® program or you will receive individual rate updates as a separate charge. PBI reserves the right to recover or disable the IntelliLink® Control Center or Meter and/or terminate this use and rental at any time and for any reason. Tampering with or misusing the IntelliLink® Control Center or Meter is a violation of Federal law. You must use only attachments or printing devices authorized by PBI and only supplies meeting PBI's specifications. Consumable supplies and postage are your responsibility. From time to time, we may access or download information remotely from your mailing system equipment powered by IntelliLink® technology to provide us with information about your postage usage amounts and patterns. Such information enables us to provide you with the best customer support and information about other products and services that may be of use to you, and some of the access and/or information may be necessary in order to conduct an inspection as required by USPS regulations. Any individually identifiable information that we obtain about you in this manner will not be shared by us with any third parties. From time to time, we may elect in our sole discretion to share aggregate data about our customers' postage uses with third parties. Please contact us if you have any questions about these data collection and/or sharing practices. You will notify PBI prior to moving the IntelliLink® Control Center or Meter to a different location. In order to obtain postage, you must contact PBI's POSTAGE BY PHONE® data center. Postage refill fees, if any, will not increase during the Initial Term but thereafter refill fees may be increased upon 30 days prior written notice. If you participate in any PBI, PBGPS and/or Bank postage advance program, payment will be advanced on your behalf to USPS, subject to repayment by you under the terms and conditions of the applicable postage advance program and billed separately from your Quarterly Lease Payment. Refunds of unused postage, if any, will be made by USPS in accordance with then current USPS regulations. Your download of postage after receipt of these terms shall be deemed your acceptance.

SOFT-GUARD® SUBSCRIPTION/RATE UPDATES. If the Lease includes a Soft-Guard® subscription, PBI will provide up to 6 Rate Updates during each 12 month period following the date of installation of the applicable Equipment. PBI will provide each Rate Update only if required due to a postal or carrier change in rate, service, Zip Code or zone change. Your Soft-Guard® subscription does not cover any change in rates due to custom rate changes, new classes of carrier service or a change in Zip Code or zone due to Equipment relocation. If your order does not include a Soft-Guard® subscription or if you have received the maximum number of Rate Updates under your Soft-Guard® subscription, you will automatically receive Rate Updates or additional Rate Updates, as applicable, at the then-current list price. If you do not elect to purchase a Soft-Guard subscription upon the execution of the Lease, you may purchase one at a later date through PBI's Customer Care Center. There will be no charge for Rate Updates supplied within 90 days after the applicable Equipment is first installed.



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PURCHASE POWER CREDIT LINE. 1. **Purchase Power Credit Line Works.** (a) You may participate in Pitney Bowes' Purchase Power program by providing the requisite information contemplated by section 8 below and thereafter ordering meter resets, office supplies, or other services, including carrier billing (a service to effectuate shipping transactions) through the Purchase Power program, whichever is applicable (the "Program"). When you or an employee or agent of yours with express, implied, or apparent authority to do so (an "Authorized User"), places such an order under the Program "on line" by telephone or otherwise, your Purchase Power Account, (the "Account"), will be charged for the amount of postage, products, and services requested and the related fees, if applicable. (b) The Purchase Power credit line is a product of the Bank and is not available to individuals for personal, family, or household purposes. You will receive a billing statement for each billing cycle for which you have any activity on the Account. You must pay the Account balance under the terms provided herein. Payments are due by the due date shown on your billing statement. You may pay the entire balance due or a portion of the balance, provided that you pay at least the minimum payment shown on the statement. In the event of a partial payment, you will be responsible for the unpaid balance of the Account under the terms herein. 2. **Deferred Payment Terms.** By using the Purchase Power program, you agree that whenever there is an unpaid balance outstanding on the Account which is not paid in full by the due date shown on your billing statement, the Bank will charge you, and you will pay, interest on the unpaid balance of the Account from time to time, for each day from the date the transaction is posted to the Account until the date the unpaid balance is paid in full, at a variable rate equal to the Annual Percentage Rate applicable to the Account from time to time. The Annual Percentage Rate applicable to the Account will be calculated as follows: the Bank will take the highest "Prime Rate" published in the "Money Rates" section of the *The Wall Street Journal* on the last business day of the month and add the margin disclosed below to the Prime Rate. The Annual Percentage Rate will be adjusted on a monthly basis based on any fluctuation in the Prime Rate. Any change in the Annual Percentage Rate based on the calculation described in this section will become effective on the first day of your next billing cycle. The margin which will be added to the Prime Rate to determine the Annual Percentage Rate will be 12.75% (using the Prime Rate in effect as of June 30, 2006, the daily Periodic Rate would be .057534 % and the corresponding Annual Percentage Rate would be 21%); provided, however, that if you are in default under this Agreement, the margin which will be added to the Prime Rate to determine the Annual Percentage Rate will be 22% (using the Prime Rate in effect as of June 30, 2006, the daily Periodic Rate would be .08287 % and the corresponding Annual Percentage Rate would be 30.25% in the event of such a default). The default interest rate will remain in effect for at least six billing cycles. If the Account becomes current and is in good standing for six consecutive billing cycles, the Bank may, in its sole discretion, change the Annual Percentage Rate applicable to the Account to the rate then in effect for accounts not in default. The Account balance that is subject to a finance charge each day will include (i) outstanding balances, minus any payments and credits received by the Bank on the Account that day, and (ii) unpaid interest, fees, and other charges on the Account. The Bank will charge a minimum finance charge of \$1.00 in any billing cycle if the finance charge as calculated above is less than \$1.00. Each payment that you make will be applied to reduce the outstanding balance of the Account and replenish your available credit line. The Bank may refuse to extend further credit if the amount of a requested charge plus your existing balance exceeds your credit line. 3. **Account Charges.** Unless prohibited by applicable law, you agree to pay such fees and charges of which the Bank has given you notice, as the same may be in effect from time to time, including, without limitation, the fees and charges relating to: (a) transaction fees, if applicable; (b) your failure to pay in a timely manner; (c) your exceeding your credit line; and (d) fees attributable to the return of any checks that you give to the Bank as payment of the Account. 4. **Account Cancellation and Suspension.** The Bank may at any time close or suspend the Account, and may refuse to allow further charges to the Account. No cancellation or suspension will affect your obligation to pay any amounts you owe. 5. **Enforcement.** If you fail to observe the provisions hereof, the Bank may declare the entire Account balance due and payable. If the Bank is required to take collection action or any other legal action related to your Account, you will be responsible for all court and collection costs and reasonable attorneys' fees. 6. **Amendment; Termination.** The Bank can amend any of the provisions and terms related to the Program at any time by written notice to you. Each time you use the Program, you are signifying your acceptance of the terms and provisions as then in effect. Any amendment will become effective on the date stated in the notice and will apply to any outstanding balance on the Account. The Bank may terminate the Program at any time. The Bank will notify you in the event of any termination. Any outstanding obligation will survive termination of the Program. 7. **Miscellaneous.** The Bank may accept late payments, partial payments or checks and money orders marked "payment in full" without compromising any rights. The Program and advances thereunder shall be governed by and construed in accordance with the laws of the State of Utah and applicable federal law. 8. **USA PATRIOT ACT.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, the Bank asks that you provide identifying information, including your address and taxpayer identification number. The Bank may also ask for additional identifying information, where appropriate, including asking that your representative who is opening the Account provide his/her name, address, date of birth, driver's license and/or such other documents and information that will allow the Bank to identify him/her.

VALUE BASED SERVICES. 1. **Fees.** If your lease includes Value Based Services, these services will be made available to you through your IntelliLink® Subscription, and the fees ("Fees") for these services will be included in your Quarterly Lease Payment. Your Fees will not be increased during the Initial Term. After the end of the Initial Term, we may increase the Fees, but we will give you thirty (30) days' prior written notice. When you receive this notice of an increase, you may terminate these services as of the date the increase becomes effective. If at any time you request a change to your Value Based Services, the Fees will be adjusted. 2. **Limited Warranty.** We warrant that, for a period of ninety (90) days from the date of delivery, the Value Based Services will perform substantially in accordance with their specifications under normal use. This warranty is void if the failure to perform is due to negligence or accident, virus contamination or loss of data, misuse or abuse, external forces, loss of power, power fluctuation, operator error, casualty (such as fire, flood, or other natural causes), sabotage, repair or attempted repair by anyone other than PBI or the use of supplies not meeting PBI specifications. We are only responsible for maintenance of the performance of the Equipment. Equipment performance will be governed by the warranty terms found in the Equipment Guide. **EXCEPT AS HEREIN SPECIFICALLY PROVIDED, THE VALUE BASED SERVICES ARE PROVIDED WITHOUT ANY FURTHER WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** Some states do not allow the disclaimer of implied warranties. Therefore, the above disclaimer may not apply to you. 3. **LIMITED LIABILITY.** WE WILL NOT BE LIABLE FOR ANY DAMAGES YOU MAY INCUR BY REASON OF YOUR USE OF THE SERVICES, INCLUDING INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. 4. **Termination.** We shall have the right to terminate the services if you breach your obligations hereunder and fail to cure such breach within thirty (30) days after you have been notified in writing of such breach. 5. **USPS Provided Services.** If one or more of the Value Based Services you selected is provided by the USPS, then the description of those services and the applicable terms for usage can be found in the USPS Domestic Mail Manual as it may be amended from time to time by the USPS. Any fees charged by the USPS for any special service you purchase will be payable by you in the same way that you pay for postage. The USPS is solely responsible for acceptance and processing of customer requests for Value Based Services. We are not responsible for the results of any malfunctions of any part of the communication link (i.e., telephone lines connecting the IntelliLink® Control Center with the USPS data system). If USPS discontinues a service you have selected, we will discontinue such service automatically.

ENTIRE AGREEMENT. This Equipment Guide constitutes the entire agreement between the parties as to the subjects addressed in this Equipment Guide, and representations or statements, both oral and written, not included herein are not binding on the parties.

AGREEMENT



GREATAMERICA LEASING CORPORATION*
625 FIRST STREET SE, CEDAR RAPIDS IA 52401
PO BOX 809, CEDAR RAPIDS, IA 52406-0809

AGREEMENT NO: 746960

CUSTOMER ("you" or "your")

FULL LEGAL NAME: Teton County of DBA Teton Valley Health Care

ADDRESS: 120 E Howard St Driggs, ID 83422-5112

VENDOR (Vendor is not Owner's agent nor is Vendor authorized to waive or alter any term or condition of this Agreement)

Valley Office Systems

Idaho Falls

ID

EQUIPMENT AND PAYMENT TERMS

QTY	TYPE, MAKE, MODEL NUMBER AND INCLUDED ACCESSORIES	SERIAL NO.
1	RICOH MPC6501 COLOR COPIER	V7610701111
1	SR4030 finisher	
1	Hole punch	
1	Fax option	

EQUIPMENT LOCATION: 120 E Howard St Driggs, ID 83422-5112 Copy Room 1st Floor

☐ SEE ATTACHED EQUIPMENT SCHEDULE

TERM IN MONTHS: 60

MONTHLY PAYMENT AMOUNT: \$498.00

ADVANCE PAYMENT: \$

SECURITY DEPOSIT: \$ (PLUS TAX)

CONTRACT

THIS AGREEMENT IS NON-CANCELABLE AND IRREVOCABLE. IT CANNOT BE TERMINATED. PLEASE READ CAREFULLY BEFORE SIGNING. THIS AGREEMENT AND ANY CLAIM RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF IOWA. ANY DISPUTE WILL BE ADJUDICATED IN A FEDERAL OR STATE COURT IN LINN COUNTY, IOWA. YOU HEREBY CONSENT TO PERSONAL JURISDICTION AND VENUE IN SUCH COURTS AND WAIVE TRANSFER OF VENUE. EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL.

CUSTOMER'S AUTHORIZED SIGNATURE

BY SIGNING THIS PAGE, YOU REPRESENT TO OWNER THAT YOU HAVE RECEIVED AND READ THE ADDITIONAL TERMS AND CONDITIONS APPEARING ON THE SECOND PAGE OF THIS TWO-PAGE AGREEMENT. THIS AGREEMENT IS BINDING WHEN OWNER PAYS FOR THE EQUIPMENT.

(As Stated Above)

[Signature]

VIRGIL W. BOSS, CEO

CUSTOMER

SIGNATURE

PRINT NAME & TITLE

DATE

GOVERNMENTAL CERTIFICATE

I, THE UNDERSIGNED, HEREBY CERTIFY THAT, AS OF THE DATE OF THE AGREEMENT, (A) THE INDIVIDUAL WHO EXECUTED THE AGREEMENT HAD FULL POWER AND AUTHORITY TO EXECUTE THE AGREEMENT AND (B) THE REPRESENTATIONS SET FORTH IN THE AGREEMENT IN THE PARAGRAPH TITLED "APPLICABLE TO GOVERNMENTAL ENTITIES ONLY" ARE TRUE AND ACCURATE IN ALL MATERIAL RESPECTS.

SIGNATURE: *[Signature]*

NAME & TITLE: VIRGIL W. BOSS CEO

DATE: 11-3-11

OWNER ("we", "us", "our")

GreatAmerica Leasing Corporation

OWNER

SIGNATURE

PRINT NAME & TITLE

DATE

CERTIFICATE OF DELIVERY AND ACCEPTANCE

The Customer hereby certifies that all the Equipment: 1) has been received, installed, and inspected, and 2) is fully operational and unconditionally accepted.

SIGNATURE: *[Signature]*

NAME & TITLE: VIRGIL W. BOSS CEO

DATE: 11-3-11

ADDITIONAL TERMS AND CONDITIONS

AGREEMENT. You want us, GreatAmerica Leasing Corporation, to pay your Vendor for the equipment referenced herein ("Equipment") and you agree to pay us the amounts payable under the terms of this agreement ("Agreement") each period by the due date. This Agreement will begin on the date the Equipment is delivered to you or any later date we designate. We may charge you a reasonable fee to cover documentation and investigation costs. If any amount payable to us is not paid when due, you will pay a late charge equal to: 1) the greater of ten (10) cents for each dollar overdue or twenty-six (\$26.00) dollars; or 2) the highest lawful charge, if less. Any security deposit will be commingled with our assets, will not earn interest, and will be returned at the end of the term, provided you are not in default. If an advance payment is required, the amount exceeding one payment shall be applied to the last payment(s) during the term or any renewal term.

NET AGREEMENT. THIS AGREEMENT IS NON-CANCELABLE FOR THE ENTIRE AGREEMENT TERM. YOU UNDERSTAND WE ARE PAYING FOR THE EQUIPMENT BASED ON YOUR UNCONDITIONAL ACCEPTANCE OF IT AND YOUR PROMISE TO PAY US UNDER THE TERMS OF THIS AGREEMENT, WITHOUT SET-OFFS FOR ANY REASON, EVEN IF THE EQUIPMENT DOES NOT WORK OR IS DAMAGED, EVEN IF IT IS NOT YOUR FAULT.

EQUIPMENT USE. You will keep the Equipment in good working order, use it for business purposes only, not modify or move it from its initial location without our consent, and bear the risk of its non-compliance with applicable laws. You agree that you will not take the Equipment out of service and have a third party pay (or provide funds to pay) the amounts due hereunder. You must resolve any dispute you may have concerning the Equipment with the manufacturer or Vendor. You will comply with all laws, ordinances, regulations, requirements and rules relating to the use and operation of the Equipment.

VENDOR SERVICES. Payments under this Agreement may include amounts you owe your Vendor under a separate arrangement (for maintenance, service, supplies, etc.), which amounts may be invoiced by us on your Vendor's behalf for your convenience. You will look solely to your Vendor for performance under any such arrangement or to address any disputes arising thereunder.

SOFTWARE/DATA. Except as provided in this paragraph, references to "Equipment" include any software referenced above or installed on the Equipment. We do not own the software and cannot transfer any interest in it to you. We are not responsible for the software or the obligations of you or the licensor under any license agreement. You are solely responsible for protecting and removing any confidential data/images stored on the Equipment prior to its return for any reason.

NO WARRANTY. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. YOU HAVE ACCEPTED THE EQUIPMENT "AS-IS". YOU CHOSE THE EQUIPMENT, THE VENDOR AND ANY/ALL SERVICE PROVIDER(S) BASED ON YOUR JUDGMENT. YOU MAY CONTACT YOUR VENDOR FOR A STATEMENT OF THE WARRANTIES, IF ANY, THAT THE MANUFACTURER OR VENDOR IS PROVIDING. WE ASSIGN TO YOU ANY WARRANTIES GIVEN TO US.

ASSIGNMENT. You may not sell, assign or sublease the Equipment or this Agreement without our written consent. We may sell or assign this Agreement or our rights in the Equipment, in whole or in part, to a third party without notice to you. You agree that if we do so, the assignee will have our rights but will not be subject to any claim, defense, or set-off assertable against us or anyone else.

LOSS OR DAMAGE. You are responsible for any damage to or loss of the Equipment. No such loss or damage will relieve you from your payment obligations hereunder. We are not responsible for, and you will indemnify us against, any claims, losses or damages, including attorney fees, in any way relating to the Equipment. In no event will we be liable for any consequential or indirect damages.

INSURANCE. You agree to maintain comprehensive liability insurance acceptable to us. You also agree to: 1) keep the Equipment fully insured against loss at its replacement cost, with us named as loss payee; and 2) provide proof of insurance satisfactory to us no later than 30 days following the commencement of this Agreement, and thereafter upon our written request. If you fail to maintain property loss insurance satisfactory to us and/or you fail to timely provide proof of such insurance, we have the option, but not the obligation, to secure property loss insurance on the Equipment from a carrier of our choosing in such forms and amounts as we deem reasonable to protect our interests. If we secure insurance on the Equipment, we will not name you as an insured party; your interests may not be fully protected, and you will reimburse us the premium which may be higher than the premium you would pay if you obtained insurance, and which may result in a profit to us through an investment in reinsurance. If you are current in all of your obligations under the Agreement at the time of loss, any insurance proceeds received will be applied, at our option, to repair or replace the Equipment, or to pay us the remaining payments due or to become due under this Agreement, plus our booked residual, both discounted at 3% per annum.

TAXES. We own the Equipment. You will pay when due, either directly or by reimbursing us, all taxes and fees relating to the Equipment and this Agreement. Sales or use tax due upfront will be payable over the term with a finance charge.

END OF TERM. At the end of the term of this Agreement (or any renewal term) (the "End Date"), this Agreement will renew month to month unless a) you provide us written notice of your intent to return the Equipment at least 60 days prior to the End Date, and b) you timely return the Equipment to the location designated by us, at your expense. If the returned Equipment is not immediately available for use by another without need of repair, you will reimburse us for all repair costs. You cannot pay off this Agreement or return the Equipment prior to the End Date without our consent. If we consent, we may charge you, in addition to other amounts owed, an early termination fee equal to 5% of the amount we paid for the Equipment.

DEFAULT-AND REMEDIES. If you do not pay any sum within 10 days after its due date, or if you breach any other term of this Agreement or any other agreement with us, you will be in default, and we may require that you return the Equipment to us at your expense and pay us: 1) all past due amounts and 2) all remaining payments for the unexpired term, plus our booked residual, both discounted at 4% per annum. We may also use all other legal remedies available to us, including disabling or repossessing the Equipment. You agree to pay all our costs and expenses, including reasonable attorney fees, incurred in enforcing this Agreement. You also agree to pay interest on all past due amounts, from the due date, at 1.5% per month.

UCC. You agree that this Agreement is (and/or shall be treated as) a "Finance Lease" as that term is defined in Article 2A of the Uniform Commercial Code ("UCC"). You agree to forgo the rights and remedies provided under sections 507-522 of Article 2A of the UCC.

MISCELLANEOUS. This Agreement is the entire agreement between you and us and supersedes any prior representations or agreements, including any purchase orders. Amounts payable under this Agreement may include a profit to us. The original of this Agreement shall be that copy which bears your facsimile or original signature, and which bears our original signature. If a court finds any provision of this Agreement unenforceable, the remaining terms of this Agreement shall remain in effect. You authorize us to either insert or correct the Agreement number, serial numbers, model numbers, beginning date, and signature date. All other modifications to the Agreement must be in writing signed by each party.

APPLICABLE TO GOVERNMENTAL ENTITIES ONLY

You hereby represent and warrant to us that as of the date of the Agreement: (a) the individual who executed the Agreement had full power and authority to execute the Agreement on your behalf; (b) all required procedures necessary to make the Agreement a legal and binding obligation against you have been followed; (c) the Equipment will be operated and controlled by you and will be used for essential government purposes for the entire term of the Agreement; (d) that all payments due and payable for the current fiscal year are within the current budget and are within an available, unexhausted, and unencumbered appropriation; (e) you intend to pay all amounts payable under the terms of the Agreement when due, if funds are legally available to do so; (f) your obligations to remit amounts under the Agreement constitute a current expense and not a debt under applicable state law; (g) no provision of the Agreement constitutes a pledge of your tax or general revenues; and (h) you will comply with any applicable information reporting requirements of the tax code, which may include 8038-G or 8038-GC information returns. If funds are not appropriated to pay amounts due under the Agreement for any future fiscal period, you shall have the right to return the Equipment and terminate this Agreement on the last day of the fiscal period for which funds were available, without penalty or additional expense to you (other than the expense of returning the Equipment to the location designated by us), provided that at least thirty (30) days prior to the start of the fiscal period for which funds were not appropriated, your Chief Executive Officer (or Legal Counsel) delivers to us a certificate (or opinion) certifying that: (a) you are a state or a fully constituted political subdivision or agency of the state in which you are located; (b) funds have not been appropriated for the applicable fiscal period to pay amounts due under the Agreement; (c) such non-appropriation did not result from any act or failure to act by you; and (d) you have exhausted all funds legally available for the payment of amounts due under the Agreement. You agree that this paragraph shall only apply if, and to the extent that, state law precludes you from entering into the Agreement if the Agreement constitutes a multi-year unconditional payment obligation.



Lease Agreement

Customer: TETON VALLEY HOSPITAL, INC

Bill To: TETON VALLEY
HOSPITAL &
Surgicenter
120 E Howard St
Driggs, ID 83422-5112

Install: TETON VALLEY
HOSPITAL &
Surgicenter
120 E Howard St
Driggs, ID 83422-5112

State or Local Government Negotiated Contract : 072164800



"An Outstanding Customer
Service Experience"

J.D. Power and Associates Certified Technology
& Support Program, developed in conjunction
with SAP. Visit jdpower.com or xerox.com

Solution

Item	Product Description	Agreement Information	Trade Information	Requested Install Date
1. W7655P (WC 7655 COPIER-PRNTR)	• Adv. finisher-2/3hole • Pr/cop/scn Ntek Cntrl	Lease Term: 60 months Purchase Option: FMV	- Xerox DC545DC S/N FWT017626 Trade-In as of Payment 51	12/1/2007

Monthly Pricing

Item	Lease Minimum Payment	Print Charges Black and White Color	Per Print Rate	Maintenance Plan Features
1. W7655P	\$381.37	1: BW 2: Color	All Prints 1 - 250 251+ \$0.0089 Included \$0.0090	- Consumable Supplies Included for all prints
Total	\$381.37	Minimum Payments (Excluding Applicable Taxes)		

Authorized Signature

Customer acknowledges receipt of the terms of this agreement which consists of 5 pages including this face page.		Thank You for your business! This Agreement is proudly presented by Xerox and Judith Harpell (307)690-7074 For information on your Xerox Account, go to www.xerox.com/AccountManagement
Signer: Rachel Gonzales Phone: (208)354-2383 Signature: <i>Rachel Gonzales</i> Date: 12-11-07		

Terms and Conditions

INTRODUCTION:

1. TOTAL SATISFACTION GUARANTEE. Except for Equipment identified as Previously Installed, for all Equipment delivered under this Agreement, if you are not totally satisfied with any Equipment, Xerox will, at your request, replace it without charge with an identical model or, at the option of Xerox, with a machine with comparable features and capabilities. This Guarantee applies only to Xerox-brand Equipment that has been continuously maintained by Xerox or its authorized representatives under a Xerox express warranty or Xerox maintenance plan, and is not applicable to Equipment damaged or destroyed due to an Act of God. For Equipment designated on the face of this Agreement as "Previously Installed", this Guarantee will be effective for one (1) year following the Equipment's Installation Date. For all other Equipment, this Guarantee will be effective for three (3) years following the Equipment's Installation Date unless the Equipment is being financed by Xerox for more than three (3) years, in which event it will expire as of the end of the initial term of such financing arrangement.

GOVERNMENT TERMS:

2. REPRESENTATIONS & WARRANTIES. You hereby represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with the Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including, but not limited to, all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Products) and are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (3) the Products are essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the term hereof only by you and only to perform such function; and, (4) your obligations to remit payments under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement.

3. FUNDING. You represent and warrant that all payments due and to become due during your current fiscal year are within the fiscal budget of such year and are included within an unrestricted and unencumbered appropriation currently available for the purchase/maintenance of the Products, and that it is your intent to use the Products for the entire term and to make all payments required under this Agreement. In the event that (1) through no action initiated by you, your legislative body does not appropriate funds for the continuation of this Agreement for any fiscal year after the first fiscal year and has no funds to do so from other sources; and (2) you have made a reasonable but unsuccessful effort to find a creditworthy assignee acceptable to Xerox in its sole discretion within your general organization who can continue this Agreement, this Agreement may be terminated.

To effect this termination, you shall, thirty (30) days prior to the beginning of the fiscal year for which your legislative body does not appropriate funds for such upcoming fiscal year, send Xerox written notice stating that your legislative body failed to appropriate funds and that you have made the required effort to find an assignee. Your notice must be accompanied by payment of all sums then owed through the current year to Xerox under this Agreement and must certify that the canceled Equipment is not being replaced by equipment performing similar functions during the ensuing fiscal year. In addition, you agree at your expense to return the Equipment in good condition to a location designated by Xerox and that, when returned, the Equipment will be free of all liens and encumbrances. You will then be released from your obligations to make any further payments to Xerox beyond those due for the current fiscal year (with Xerox retaining all sums paid to date).

SOLUTIONS/SERVICES:

4. PRODUCTS. "Products" shall refer collectively to all equipment (the "Equipment"), software, and supplies identified on the face of this Agreement. You represent that the Products are being ordered for your own business use (rather than resale) and that

they will not be used for personal, household or family purposes.

5. CONSUMABLE SUPPLIES INCLUDED. If Consumable Supplies is identified in the Maintenance Plan Features, Maintenance Services will include black toner (excluding highlight color toner), black developer, copy Cartridges, and, if applicable, fuser ("Consumable Supplies"). For full-color Equipment, Consumable Supplies shall also include, as applicable, color toner and developer. For Products identified as "Phaser", Consumable Supplies may also include, if applicable, black solid ink, color solid ink, imaging units, waste cartridges, transfer rolls, transfer belts, transfer units, belt cleaner, maintenance kits, print Cartridges, drum Cartridges, waste trays and cleaning kits. You agree that the Consumable Supplies are Xerox's property until used by you; that you will use them only with the Equipment, that you will return all Cartridges to Xerox for remanufacturing once they have been run to their cease-function point (at Xerox's expense when using Xerox-supplied shipping labels), and that at the end of the term of this Agreement you will either (1) return any unused Consumable Supplies to Xerox (at Xerox's expense when using Xerox-supplied shipping labels), or (2) destroy them in a manner permitted by applicable law. Should your use of Consumable Supplies exceed Xerox's published yields for these items by more than 10%, you agree that Xerox shall have the right to charge you for any such excess usage. When requested by Xerox, you agree to provide meter readings and inventory of Consumable Supplies in your possession.

6. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment utilizing cartridges designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules ("Cartridges"), and unless you have entered into a Standard Maintenance Agreement as described herein, you agree to use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the United States and the failure to use such Cartridges shall void any warranty applicable to such Equipment. Cartridges packed with Equipment and replacement Cartridges may be new, remanufactured or reprocessed. Remanufactured and reprocessed Cartridges meet Xerox's new Cartridge performance standards and contain new and/or reprocessed components. To enhance print quality, the Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. In addition, many Equipment models are designed to function only with Cartridges that are newly manufactured original Xerox Cartridges or with Cartridges intended for use in the U.S. Equipment configuration that permits use of non-newly manufactured original Xerox Cartridges may be available from Xerox at an additional charge.

7. MAINTENANCE SERVICES. Xerox (or a designated service) will provide the following Maintenance Services under this Agreement (unless you are acquiring Equipment for which Xerox does not offer Maintenance Services; such Equipment to be designated as "No Svc."). Xerox will make repairs and adjustments necessary to keep Equipment in good working order. Parts required for repairs may be new, reprocessed or recovered. All parts/materials replaced, including as part of an upgrade, will become Xerox's property.

8. INSTALLATION SITE & METER READINGS. The Equipment installation site must conform to Xerox's published requirements throughout the term of this Agreement. If applicable, you agree to provide meter readings in the manner prescribed by Xerox. If you do not provide Xerox with meter readings as required, Xerox may estimate them and bill you accordingly.

9. EQUIPMENT REPLACEMENT. If Xerox is unable to maintain the Equipment as described, Xerox will, as your exclusive remedy for Xerox's failure to provide Maintenance Services, replace the Equipment with an identical product or, at Xerox's option, another product of equal or greater capabilities. If a replacement product is provided pursuant to this Section, there will not be an additional charge for the replacement product and, except as set forth in the Section of this Agreement titled "ANNUAL PRICE INCREASES", there will not be an additional charge for Maintenance Services during the then-current term during which Maintenance Services are being provided.

10. PC/WORKSTATION REQUIREMENTS. In order to receive Maintenance Services and/or Software Support for Equipment requiring connection to a PC or workstation, you must utilize a PC or workstation that either (1) has been provided by Xerox, or (2) meets Xerox's published specifications.

11. HOURS & EXCLUSIONS. Unless otherwise stated, Maintenance Services will be provided during Xerox's standard working hours (excluding Xerox-recognized holidays) in areas within the United States, its territories, and possessions open for repair service for the Equipment at issue. You agree to give Xerox reasonable access to the

Terms and Conditions

Equipment. Maintenance Services shall cover repairs and adjustments required as a result of normal wear and tear or defects in materials or workmanship (and shall exclude repairs or adjustments Xerox determines to relate to or be affected by the use of options, accessories, or other connected products not serviced by Xerox, as well as any non-Xerox alterations, relocation, service, supplies, or consumables). You agree to use Equipment in accordance with, and to perform all operator maintenance procedures for Equipment as set forth in, the applicable manuals provided by Xerox.

12. EQUIPMENT STATUS. Unless you are acquiring Previously Installed Equipment, Equipment will be either (1) "Newly Manufactured," which may contain some recycled components that are reconditioned; (2) "Factory Produced New Model," which is manufactured and newly serialized at a Xerox factory, adds functions and features to a product previously disassembled to a Xerox predetermined standard, and contains both new components and recycled components that are reconditioned; or (3) "Remanufactured," which has been factory produced following disassembly to a Xerox predetermined standard and contains both new components and recycled components that are reconditioned.

13. SOFTWARE LICENSE. The following terms apply to copyrighted software and the accompanying documentation, including, but not limited to, operating system software, provided with or within the Xerox-brand Equipment acquired hereunder ("Base Software"), as well as software identified as "Application Software" on the face of this Agreement. This license does not apply to any Diagnostic Software or to any software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement.

A. Xerox grants you a non-exclusive, non-transferable license to use the Base Software within the United States, its territories, and possessions (the "United States") only on or with the Equipment with which (or within which) it was delivered. For Application Software, Xerox grants you a non-exclusive, non-transferable license to use this software within the United States on any single unit of equipment for as long as you are current in the payment of any indicated software license fees (including any Annual Renewal Fees). You have no other rights to the Base or Application Software and, in particular, may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer this software; (2) activate any software delivered with or within the Equipment in an unactivated state; or (3) allow others to engage in same. Title to the Base and Application Software and all copyrights and other intellectual property rights in it shall at all times reside solely with Xerox and/or its licensors (who shall be considered third-party beneficiaries of this Agreement's software and limitation of liability provisions). Base and Application Software may contain, or be modified to contain, computer code capable of automatically disabling proper operation or functioning of the Equipment. Such disabling code may be activated if: (a) Xerox is denied reasonable access to the Base or Application Software to periodically reset such code; (b) you are notified of a default under any term of this Agreement; or (c) your license is terminated or expires.

B. Xerox may terminate your license for any Base Software (1) immediately if you no longer use or possess the Equipment or are a lessor of the Equipment and your first lessee no longer uses or possesses it, or (2) upon the termination of any agreement under which you have rented or leased the Equipment.

C. If you transfer possession of the Equipment after you obtain title to it, Xerox will offer the transferee a license to use the Base Software within the United States on or with it, subject to Xerox's then-applicable terms and license fees, if any, and provided the transfer is not in violation of Xerox's rights.

D. Xerox warrants that the Base and Application Software will perform in material conformity with its user documentation for a ninety (90) day period from the date it is delivered or, for software installed by Xerox, the date of software installation. Neither Xerox nor its licensors warrant that the Base or Application Software will be free from errors or that its operation will be uninterrupted.

E. Notwithstanding anything to the contrary set forth in this Agreement, if you enter into a maintenance agreement for Equipment, such maintenance agreement does not include a license for Base Software. If you do not have a license for Base Software for Equipment, you may enter into a separate license agreement with Xerox for such Base Software.

14. SOFTWARE SUPPORT. During the period that Xerox (or a designated service) provides Maintenance Services for the Equipment, but in no event longer than five (5) years after Xerox stops taking orders from customers for the subject model of Equipment, Xerox (or a designated service) will provide software support for the Base Software under the following terms. For Application Software licensed pursuant to this Agreement, Xerox will provide software support under the following terms provided you

are current in the payment of all Initial License and Annual Renewal Fees (or, for programs not requiring Annual Renewal Fees, the payment of the Initial License Fee and the annual "Support Only" Fees).

A. Xerox will assure that Base and Application Software performs in material conformity with its user documentation and will maintain a toll-free hotline during Xerox's standard working hours to answer related questions.

B. Xerox may make available new releases of the Base or Application Software that primarily incorporate coding error fixes and are designated as "Maintenance Releases". Maintenance Releases are provided at no charge and must be implemented within six (6) months after being made available to you. Each new Maintenance Release shall be considered Base or Application Software governed by the Software License and Software Support provisions of this Agreement. New releases of the Base or Application Software that are not Maintenance Releases, if any, may be subject to additional license fees at Xerox's then-current pricing and shall be considered Base or Application Software governed by the Software License and Software Support provisions of this Agreement (unless otherwise noted). Xerox will not be in breach of its software support obligations hereunder if, in order to implement, in whole or in part, a new release of Base or Application Software provided or made available to you by Xerox, you must procure, at your expense, additional hardware and/or software from Xerox or any other entity. You agree to return or destroy all prior releases.

C. Xerox will use reasonable efforts, either directly and/or with its vendors, to resolve coding errors or provide workarounds or patches, provided you report problems as specified by Xerox.

D. Xerox shall not be obligated (1) to support any Base or Application Software that is two or more releases older than Xerox's most current release, or (2) to remedy coding errors if you have modified the Base or Application Software.

15. DIAGNOSTIC SOFTWARE. Software used to maintain the Equipment and/or diagnose its failures or substandard performance (collectively "Diagnostic Software") is embedded in, resides on, or may be loaded onto the Equipment. The Diagnostic Software and method of entry or access to it constitute valuable trade secrets of Xerox. Title to the Diagnostic Software shall at all times remain solely with Xerox and/or Xerox's licensors. You agree that (a) your acquisition of the Equipment does not grant you a license or right to use the Diagnostic Software in any manner, and (b) that unless separately licensed by Xerox to do so, you will not use, reproduce, distribute, or disclose the Diagnostic Software for any purpose (or allow third parties to do so). You agree at all times (including subsequent to the expiration of this Agreement) to allow Xerox to access, monitor, and otherwise take steps to prevent unauthorized use or reproduction of the Diagnostic Software.

PRICING PLAN/OFFERING SELECTED:

16. COMMENCEMENT. The Lease Term for each unit of Equipment shall commence upon installation of each unit; provided, however, for customer-installable Equipment, the Lease Term shall commence upon delivery of each unit.

17. GOVERNMENT PAYMENT TERMS. Payment (including applicable Taxes) is due within thirty (30) days after the invoice date with all charges being billed in arrears. This Agreement shall not be automatically renewed.

18. PAYMENTS. The Minimum Payment (which may be billed on more than one invoice) may include a Minimum Number of Prints. The Minimum Payment, along with Print Charges for any prints made in excess of the Minimum Number of Prints, cover your cost for the use of the Equipment and its maintenance (provided as Maintenance Services).

19. LATE PAYMENT CHARGE. For any payment not received by Xerox within ten (10) days of the due date as set forth herein, Xerox may charge, and you agree to pay, a late charge equal to the higher of five percent (5%) of the amount due or \$25 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

20. ANNUAL PRICE INCREASES. Xerox may annually increase the maintenance component of the Minimum Payment and Print Charges, each such increase not to exceed 10%. For Application Software, Xerox may annually increase the Annual Renewal and Support-Only Fees, each such increase not to exceed 10%. This adjustment shall take place at the commencement of each of your annual contract cycles.

21. DELIVERY AND REMOVAL. Xerox will be responsible for all standard delivery and removal charges and you will be responsible for any non-standard delivery or removal charges.

22. TAXES. You shall be responsible for any and all applicable Taxes, which will be included in Xerox's invoice unless you provide proof of your tax exempt status. "Taxes" shall mean any tax, assessment or charge imposed or collected by any governmental

Terms and Conditions

entity or any political subdivision thereof, however designated or levied, imposed on this Agreement or the amounts payable to Xerox by you for the billing of Products, Print Charges, services and maintenance of any kind. Taxes include, but are not limited to, sales and use, rental, excise, gross receipts and occupational or privilege taxes, plus any interest and/or penalty thereon, but excluding any personal property taxes and taxes on Xerox's net income. If a taxing authority determines that Xerox did not collect all applicable Taxes, you shall remain liable to Xerox for such additional Taxes.

23. LEASE OPTIONS. The following options are available for each unit of Equipment leased under this Agreement. 'A. If not in default, you may purchase the Equipment, "AS IS, WHERE-IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE: (1) at the end of the lease term for the Purchase Option indicated on the face of this Agreement (i.e., either a set dollar amount or the fair market value of the Equipment at the expiration of the lease term), plus all applicable Taxes, or (2) any time during the lease term by paying: (a) all amounts then due; (b) the remaining Minimum Payments in the Agreement's term less any unearned finance, maintenance, and supply charges (as reflected on Xerox's books and records); (c) a reasonable disengagement fee calculated by Xerox that will not exceed fifteen percent (15%) of the amount in (b) above (said amount is available from Xerox upon request); (d) the applicable Purchase Option; and (e) all applicable Taxes. 'B. Unless either party provides notice at least thirty (30) days before the end of the lease term of its intention not to renew a unit of Equipment, it will be renewed automatically on a month-to-month basis at the same price, terms and conditions and billing frequency as the original Agreement. During this renewal period, either party may terminate the Equipment upon at least thirty (30) days notice. Upon termination, you shall make the Equipment available for removal by Xerox when requested to do so by Xerox and, at the time of removal, the Equipment shall be in the same condition as when delivered (reasonable wear and tear excepted).

24. DEFAULT AND REMEDIES. You will be in default under this Agreement if (1) Xerox does not receive any payment within fifteen (15) days after the date it is due, or (2) you breach any other obligation hereunder. If you default, Xerox, in addition to its other remedies (including the cessation of Maintenance Services), may require immediate payment, as liquidated damages for loss of bargain and not as a penalty, of: (a) all amounts then due, plus interest on all amounts due from the due date until paid at the rate of one and one-half percent (1.5%) per month (not to exceed the maximum amount permitted by law); (b) the remaining Lease Minimum Payments in the Agreement's term less any unearned finance, maintenance, and supply charges (as reflected on Xerox's books and records); (c) a reasonable disengagement fee calculated by Xerox that will not exceed fifteen percent (15%) of the amount in (b) above (said amount is available from Xerox upon request); and (d) all applicable Taxes. You also shall either (1) make the Equipment available for removal by Xerox when requested to do so by Xerox and, at the time of removal, the Equipment shall be in the same condition as when delivered (reasonable wear and tear excepted), together with any related software, or (2) purchase the Equipment "AS IS, WHERE IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE, by paying Xerox the Purchase Option and all applicable Taxes. Xerox's decision to waive or forgive a particular default shall not prevent Xerox from declaring any other default. In addition, if you default under this Agreement, you agree to pay all of the costs Xerox incurs to enforce its rights against you, including reasonable attorneys' fees and actual costs.

25. REFINANCE OF PRIOR AGREEMENT. If Prior Xerox Agreement is identified in the Agreement, the balance is included in the amount financed under this Agreement and shall be paid for through your Minimum Payments. If your prior agreement is with a third party, you hereby acknowledge that you have the right to terminate the agreement and agree to provide a statement from the third party identifying the equipment at issue and the amount to be paid off (as well as a statement from you identifying the payee and mailing address for your payoff check). If your prior agreement was with Xerox, the use of this refinance option shall render your prior agreement null and void. If you breach any of your obligations, the full amount of your prior agreement balance shall be immediately due and payable.

GENERAL TERMS & CONDITIONS:

26. NON-CANCELABLE AGREEMENT. THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. YOUR OBLIGATION TO MAKE ALL PAYMENTS AND TO PAY ANY OTHER AMOUNTS DUE OR TO BECOME DUE SHALL BE ABSOLUTE AND UNCONDITIONAL AND SHALL NOT BE SUBJECT TO ANY DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOUPMENT FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF XEROX'S PERFORMANCE OF ITS

OBLIGATIONS HEREUNDER. ANY CLAIM AGAINST XEROX MAY BE ASSERTED IN A SEPARATE ACTION AND SOLELY AGAINST XEROX.

27. REPRESENTATIONS, WARRANTIES & COVENANTS. Each party represents that, as of the date of this Agreement, it has the lawful power and authority to enter into this Agreement, the individuals signing this Agreement are duly authorized to do so on its behalf and, by entering this Agreement, it will not violate any law or other agreement to which it is a party. You are not aware of anything that will have a material negative effect on your ability to satisfy your payment obligations under this Agreement and all financial information you have provided, or will provide, to Xerox is true and accurate and provides a good representation of your financial condition. Each party agrees that it will promptly notify the other party in writing of a change in ownership, or if it relocates its principal place of business or changes the name of its business.

28. LIMITATION OF LIABILITY. Xerox shall not be liable to you for any direct damages in excess of \$10,000 or the amounts paid hereunder, whichever is greater, and neither party shall be liable to the other for any special, indirect, incidental, consequential or punitive damages arising out of or relating to this Agreement, whether the claim alleges tortious conduct (including negligence) or any other legal theory. The above-stated limitation of liability shall not be applicable to any specific indemnification obligations set forth in this Agreement. Any action you take against Xerox must be commenced within two (2) years after the event that caused it.

29. CREDIT REPORTS. You authorize Xerox (or its agent) to obtain credit reports from commercial credit reporting agencies.

30. FORCE MAJEURE. Xerox shall not be liable to you during any period in which its performance is delayed or prevented, in whole or in part, by a circumstance beyond its reasonable control, which circumstances include, but are not limited to, the following: act of God (e.g., flood, earthquake, wind); fire; war; act of a public enemy or terrorist; act of sabotage; strike or other labor dispute; riot; misadventure of the sea; inability to secure materials and/or transportation; or a restriction imposed by legislation, or by an order, rule or regulation of any governmental entity. If such a circumstance occurs, Xerox shall undertake reasonable action to notify you of the same.

31. PROTECTION OF XEROX'S RIGHTS. You hereby authorize Xerox or its agents to file, by any permissible means, financing statements necessary to protect Xerox's rights as lessor of the Equipment. Xerox, on your behalf and at your expense, may take any action required to be taken by you under this Agreement that you fail to take.

32. WARRANTY DISCLAIMER; FINANCE LEASE AND INCOME TAX TREATMENT. XEROX DISCLAIMS, AND YOU WAIVE, THE IMPLIED WARRANTIES OF NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE. The parties agree that this Agreement is: (i) a "finance lease" under Article 2A of the Uniform Commercial Code and, except to the extent expressly provided herein, and to the extent permitted by applicable law, you waive all rights and remedies conferred upon a lessee by Article 2A; and (ii) a lease for all federal, state or local income tax purposes and you shall not claim any credit or deduction for depreciation in respect of the Equipment, or take any other action inconsistent with your role as lessee of the Equipment.

33. INTELLECTUAL PROPERTY INDEMNITY. Xerox, at its expense, will defend you from, and pay any settlement agreed to by Xerox or any final judgment for, any claim that a Xerox-brand Product infringes a third party's U.S. intellectual property rights, provided you promptly notify Xerox of the alleged infringement and permit Xerox to direct the defense. Xerox is not responsible for any non-Xerox litigation expenses or settlements unless it preapproves them in writing. To avoid infringement, Xerox may modify or substitute an equivalent Xerox-brand Product, refund the price paid for the Xerox-brand Product (less the reasonable rental value for the period it was available to you), or obtain any necessary licenses. Xerox is not liable for any infringement-related liabilities outside the scope of this Section including, but not limited to, infringement based upon a Xerox-brand Product being modified to your specifications or being used or sold with products not provided by Xerox.

34. TITLE & RISK OF LOSS. Title to the Equipment shall remain with Xerox until you exercise your option to purchase it. Until you exercise your option to purchase the Equipment, you agree that: (1) it shall remain personal property; (2) you will not attach any of it as a fixture to any real estate; (3) you will not pledge, sub-lease or part with possession of it or file or permit to be filed any lien against it; and, (4) you will not make any permanent alterations to it. The risk of loss due to your fault or negligence, as well as theft, fire or disappearance, shall pass to you upon shipment from a Xerox controlled facility. The risk of loss due to all other causes shall remain with Xerox unless and until you exercise your option to purchase the Equipment.

35. RELOCATION. Until title passes to you, all Equipment relocations must be arranged (or approved in advance) by Xerox and shall be at your expense. While

Terms and Conditions

Equipment is being relocated, you are responsible for all payments required to Xerox under this Agreement. Equipment cannot be relocated outside of the United States, its territories or possessions until you have exercised the Purchase Option indicated in this Agreement. If you acquire title to the Equipment, you must comply with all applicable laws and regulations regarding the export of any commodity, technology and/or software.

36. ASSIGNMENT. (a) If you wish to assign any rights or obligations under this Agreement, you shall provide a written notice to Xerox of such request for consent, with said notice including the name of the proposed assignee. Your request to assign this Agreement will be granted by Xerox if: (1) you are not in default under this Agreement or any other agreement with Xerox; (2) the proposed assignee agrees to the sections of this Agreement titled "PAYMENTS", "TAXES" and "CREDIT REPORTS" as applicable to it, for the purposes of the proposed assignment; (3) the proposed assignee meets Xerox's then current credit criteria for similar transactions as determined by Xerox in its sole discretion; and, (4) you and the proposed assignee execute a writing, in a form acceptable to Xerox, confirming said assignment. Assignment by you requires the written consent of Xerox and may not be accomplished by operation of law. (b) Xerox may assign this Agreement, in whole or in part, to a parent, subsidiary or affiliate of Xerox, or to a person or entity for the purposes of securitizing a pool of assets or as part of a third party financial transaction without prior notice to you; provided, however, any proposed assignment to a person or entity not identified previously in this sentence shall require your prior written consent. In the event of an assignment permitted by the preceding sentence, Xerox may, without notice to you, release information it has about you related to this Agreement. Each successive assignee of Xerox shall have all of the rights but none of the obligations of Xerox hereunder. You shall continue to look to Xerox for performance of Xerox's obligations, including the provision of Maintenance Services, and you hereby waive and release any assignees of Xerox from any such claim relating to or arising from the performance of Xerox's obligations hereunder. You shall not assert any defense, counterclaim or setoff that you may have or claim against Xerox against any assignees of Xerox. In the event of an assignment by Xerox, you shall remit payments due in accordance with remittance instructions of the assignee.

37. MISCELLANEOUS. Notices must be in writing and will be deemed given five (5) days after mailing, or two (2) days after sending by nationally recognized overnight courier, to the other party's business address, or to such other address designated by either party to the other by written notice given pursuant to this sentence. The term "business address" shall mean, for you, the "Bill to" address identified on the face of

this Agreement and, for Xerox, the inquiry address set forth on the most recent invoice to you. This Agreement constitutes the entire agreement as to its subject matter, supersedes all prior and contemporaneous oral and written agreements, and shall be construed under the laws of the State of New York (without regard to conflict-of-law principles). You agree to the jurisdiction and venue of the federal and state courts in Monroe County, New York, in any action to enforce this Agreement, the parties agree to waive their right to a jury trial. If a court finds any term of this Agreement to be unenforceable, the remaining terms of this Agreement shall remain in effect. Both parties may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this Agreement which shall be admissible in any action to enforce it, but only the Agreement held by Xerox shall be considered an original. Xerox may accept this Agreement either by its authorized signature or by commencing performance (e.g., Equipment delivery, Initiating Maintenance Services, etc.). All changes to this Agreement must be made in a writing signed by both parties; accordingly, any terms on your ordering documents shall be of no force or effect.

38. MISCELLANEOUS, CONTINUED. The following four sentences control over every other part of this Agreement and over all other documents now or later pertaining to this Agreement. We both intend to comply with applicable laws. In no event will Xerox charge or collect any amounts (such as interest or, if applicable, time price differential amounts) in excess of those allowed by applicable law. Any part of this Agreement that would, but for this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is limited and modified by this Section to limit the amounts chargeable under this Agreement to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by Xerox in excess of that legally allowed will be applied by us to the payment of amounts legally owed under this Agreement, or refunded to you.

39. REMOTE DATA COLLECTION. Xerox may automatically collect from the Equipment, via electronic transmission to a secure off-site location, certain data used by Xerox or a designated service to support and service the Equipment, or for Xerox billing, supplies replenishment or product improvement purposes. Automatically transmitted data may include, but is not limited to, product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. All such data shall be transmitted in a secure manner specified by Xerox.

Lease Agreement



Customer: TETON VALLEY HOSPITAL, INC

Bill To: TETON VALLEY MEDICAL
CENTER INC
120 E Howard St
Driggs, ID 83422

Install: TETON VALLEY MEDICAL
CENTER INC
120 E Howard St
Driggs, ID 83422

State or Local Government Negotiated Contract : 072164800

Solution		Agreement Information		Requested install Date
Item	Product Description			
1. WC4250X (WC4250X COPY-PRNTR)	- 500 Sheet Paper Tray - Cabinet Stand	Lease Term:	60 months	1/28/2010
		Purchase Option:	FMV	

Monthly Pricing					Maintenance Plan Features
Item	Lease	Print Charges			
1. WC4250X	\$94.19	1. Meter 1	All Prints	\$0.0139	- Consumable Supplies Included for all prints
Total	\$94.19	Minimum Payments (Excluding Applicable Taxes)			

BP

[Signature]
1/26/10
DRIGGS HEALTH CLINIC

Authorized Signature

<p>Customer acknowledges receipt of the terms of this agreement which consists of 4 pages including this face page.</p> <p>Signer: Blaine Ripplinger Phone: (208)354-2283</p> <p>Signature: <i>Blaine Ripplinger</i> Date: 1-26-10</p>		<p>Thank You for your business!</p> <p>This Agreement is proudly presented by Xerox and</p> <p>Judith Harpell (307)690-7074</p> <p>For information on your Xerox Account, go to www.xerox.com/AccountManagement</p>
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Terms and Conditions

INTRODUCTION:

1. TOTAL SATISFACTION GUARANTEE. If you are not totally satisfied with any Xerox-brand Equipment delivered under this Agreement, Xerox will, at your request, replace it without charge with an identical model or, at Xerox's option, with Xerox Equipment with comparable features and capabilities. This Guarantee applies only to Xerox-brand Equipment that has been continuously maintained by Xerox under this Agreement or a Xerox maintenance agreement. For "Previously Installed" Equipment, this Guarantee will be effective for 1 year after installation. For all other Equipment, this Guarantee will be effective for 3 years after installation unless the Equipment is being financed under this Agreement for more than 3 years, in which event it will expire at the end of the initial Term of this Agreement.

GOVERNMENT TERMS:

2. REPRESENTATIONS & WARRANTIES. You represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with this Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Products) and are valid, legal, binding agreements, enforceable in accordance with their terms; (3) the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (4) the Products are essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and will be used during the Term only by you and only to perform such function; and (5) your payment obligations under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues, and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement.

3. FUNDING. You represent and warrant that all payments due and to become due during your current fiscal year are within the fiscal budget of such year and are included within an unrestricted and unencumbered appropriation currently available for the purchase/maintenance of the Products, and it is your intent to use the Products for the entire term and to make all payments required under this Agreement. If (1) through no action initiated by you, your legislative body does not appropriate funds for the continuation of this Agreement for any fiscal year after the first fiscal year and has no funds to do so from other sources; and (2) you have made a reasonable but unsuccessful effort to find a creditworthy assignee acceptable to Xerox in its sole discretion within your general organization who can continue this Agreement, this Agreement may be terminated. To effect this termination, you must, at least 30 days prior to the beginning of the fiscal year for which your legislative body does not appropriate funds, notify Xerox in writing that your legislative body failed to appropriate funds and that you have made the required effort to find an assignee. Your notice must be accompanied by payment of all sums then owed through the current year under this Agreement and must certify that the canceled Equipment is not being replaced by equipment performing similar functions during the ensuing fiscal year. You will return the Equipment, at your expense, to a location designated by Xerox and, when returned, the Equipment will be in good condition and free of all liens and encumbrances. You will then be released from any further payment obligations beyond those payments due for the current fiscal year (with Xerox retaining all sums paid to date).

SOLUTION/SERVICES:

4. PRODUCTS. "Products" means the equipment ("Equipment"), Software and supplies identified in this Agreement. You agree the Products are for your business use (not resale) in the United States and its territories and possessions ("U.S.") and will not be used for personal, household or family purposes.

5. CONSUMABLE SUPPLIES. If "Consumable Supplies" is identified in Maintenance Plan Features, Maintenance Services will include black toner (excluding highlight color toner), black developer, Cartridges, and, if applicable, fuser agent ("Consumable Supplies"). For full-color Equipment, Consumable Supplies will also include color toner and developer. For Phaser Products, Consumable Supplies may also include, if applicable, black solid ink, color solid ink, imaging units, waste cartridges, transfer rolls, transfer belts, transfer units, belt cleaner, maintenance kits, print Cartridges, drum Cartridges, waste trays and cleaning kits. Consumable Supplies are Xerox's property until used by you, and you will use them only with the Equipment for which

"Consumable Supplies" is identified in Maintenance Plan Features. If Consumable Supplies includes Cartridges that are furnished with pre-paid shipping labels, you will return used Cartridges to Xerox for remanufacturing. Upon expiration of this Agreement you will return to Xerox any unused Consumable Supplies that are furnished with pre-paid shipping labels and destroy all other unused Consumable Supplies. If your use of Consumable Supplies exceeds Xerox's published yield by more than 10%, Xerox will notify you of such excess usage. If such excess usage does not cease within 30 days after such notice, Xerox may charge you for such excess usage. Upon request, you will provide an inventory of Consumable Supplies in your possession.

6. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment utilizing cartridges designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules ("Cartridges"), you agree to use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the U.S. Cartridges packed with Equipment and replacement Cartridges may be new, remanufactured or reprocessed. Remanufactured and reprocessed Cartridges meet Xerox's new Cartridge performance standards and contain new or reprocessed components. To enhance print quality, Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. In addition, many Equipment models are designed to function only with Cartridges that are newly manufactured original Xerox Cartridges or with Cartridges intended for use in the U.S.

7. MAINTENANCE SERVICES. Except for Equipment identified as "No Svc.", Xerox (or a designated service) will keep the Equipment in good working order ("Maintenance Services"). Maintenance Services will be provided during Xerox's standard working hours in areas open for repair service for the Equipment. Maintenance Services excludes repairs due to: (i) misuse, neglect or abuse; (ii) failure of the installation site or the PC or workstation used with the Equipment to comply with Xerox's published specifications; (iii) use of options, accessories or products not serviced by Xerox; (iv) non-Xerox alterations, relocation, service or supplies; or (v) failure to perform operator maintenance procedures identified in operator manuals. Replacement parts may be new, reprocessed or recovered and all replaced parts become Xerox's property. Xerox will, as your exclusive remedy for Xerox's failure to provide Maintenance Services, replace the Equipment with an identical model or, at Xerox's option, another model with comparable features and capabilities. There will be no additional charge for the replacement Equipment during the remainder of the initial Term. If meter reads are a component of your Maintenance Plan, you will provide them using the method and frequency identified by Xerox. If you do not provide a meter reading, Xerox may estimate the reading and bill you accordingly.

8. EQUIPMENT STATUS. Unless you are acquiring "Previously Installed" Equipment, Equipment will be (1) "Newly Manufactured", which may contain some reconditioned components; (2) "Factory Produced New Model", which is manufactured and newly serialized at a Xerox factory, adds functions and features to a product previously disassembled to a Xerox predetermined standard, and contains new and reconditioned components; or (3) "Remanufactured", which has been factory produced following disassembly to a Xerox predetermined standard and contains new and reconditioned components.

9. SOFTWARE LICENSE. Xerox grants you a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation provided with Xerox-brand Equipment ("Base Software") only with the Xerox-brand Equipment with which it was delivered; and (b) software and accompanying documentation identified in this Agreement as "Application Software" only on any single unit of equipment for as long as you are current in the payment of all applicable software license fees. "Base Software" and "Application Software" are referred to collectively as "Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Software; (2) activate Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Software will reside solely with Xerox and/or its licensors (who will be considered third-party beneficiaries of this Section). Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Xerox is denied access to periodically reset such code; (y) you are notified of a default under this Agreement; or (z) your license is terminated or expires. The Base Software license will terminate: (i) if you no longer use or possess the Equipment; (ii) you are a lessor of the Equipment and your first lessee no longer uses or possesses it; or (iii) upon the expiration or termination of this Agreement, unless you have exercised your option to purchase the equipment. Neither Xerox nor its licensors warrant that Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to

Terms and Conditions

being modified to your specifications or being used or sold with products not provided by Xerox.

29. TITLE & RISK OF LOSS. Until you exercise your Purchase Option: (a) title to Equipment will remain with Xerox; (b) Equipment will remain personal property; (c) you will not attach the Equipment as a fixture to any real estate; (d) you will not pledge, sublease or part with possession of it, or file or permit to be filed any lien against it; and, (e) you will not make any permanent alterations to it. Risk of loss passes to you upon delivery and remains with you until Xerox removes the Equipment. You will keep the Products insured against loss or damage and the policy will name Xerox as a loss payee.

30. ASSIGNMENT. Except for assignment by Xerox to a parent, subsidiary or affiliate of Xerox, or to securitize this Agreement as part of a financing transaction ("Permitted Assignment"), neither party will assign any of its rights or obligations under this Agreement without the prior written consent of the other party. In the event of a Permitted Assignment: (a) Xerox may, without your prior written consent, release to the proposed assignee information it has about you related to this Agreement; (b) the assignee will have all of the rights but none of the obligations of Xerox hereunder; (c) you will continue to look to Xerox for performance of Xerox's obligations, including the provision of Maintenance Services; (d) you waive and release the assignee from any claim relating to or arising from the performance of Xerox's obligations hereunder; (e) you shall not assert any defense, counterclaim or setoff you may have against an assignee; and (f) you will remit payments in accordance with instructions of the assignee.

31. MISCELLANEOUS. Notices must be in writing and will be deemed given 5 days after mailing, or 2 days after sending by nationally recognized overnight courier. Notices will be sent to you at the "Bill to" address identified in this Agreement, and to Xerox at the inquiry address set forth on your most recent invoice, or to such other address as either party may designate by written notice. You authorize Xerox or its agents to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to Xerox. This Agreement constitutes the entire agreement as to its subject matter, supersedes all prior oral and written agreements,

and will be governed by the laws of the State of New York (without regard to conflict-of-law principles). In any action to enforce this Agreement, the parties agree (a) to the jurisdiction and venue of the federal and state courts in Monroe County, New York; and (b) to waive their right to a jury trial. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either party to exercise any right or remedy will not constitute a waiver of such right or remedy. Each party may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this Agreement which will be admissible in any action to enforce it, but only the Agreement held by Xerox will be considered an original. Xerox may accept this Agreement either by signature or by commencing performance. Changes to this Agreement must be in writing and signed by both parties. Any terms on your ordering documents will be of no force or effect. The following four sentences control over every other part of this Agreement. Both parties will comply with applicable laws. Xerox will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable under this Agreement to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by Xerox in excess of that legally allowed will be applied by Xerox to the payment of amounts legally owed under this Agreement, or refunded to you.

32. REMOTE SERVICES. Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox from the Equipment via electronic transmission from the Equipment to a secure off-site location. Examples of automatically transmitted data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. All such data shall be transmitted in a secure manner specified by Xerox. The automatic data transmission capability will not allow Xerox to read, view or download the content of any Customer documents residing on or passing through the Equipment or Customer's information management systems.

Schedule 3.7 (a)

DRAFT AND SUBJECT TO FINAL 12/31 AUDIT
Known Liabilities

Accrued Interest Payable	\$16,331
Accrued Payroll Payable	\$112,044
Accrued Bonus CEO	\$24,480
Accrued Production Bonus	\$34,356
Accrued Vacation	\$230,051
Federal Income Tax Withheld	\$48,744
FICA Taxes Withheld	\$35,992
401 Employer Contribution Payable	\$92,282
Health Claims Incurred / Not Paid	\$71,000
Life Insurance Payable	\$130,637
Wells Fargo Bond	\$662,586
Note Payable (Raudman Property)	\$61,940
Total Known Liabilities	<u><u>\$1,520,443</u></u>

Schedule 3.7 (b)

SUBJECT TO UPDATE for Period Ended 12-31-2012 (in process)

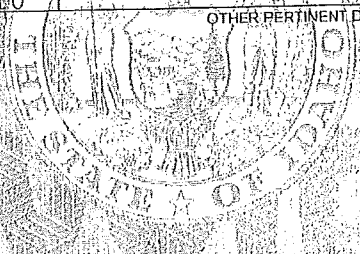
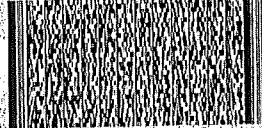
Contingent Liabilities

Defined Benefit Plan / Single Life Annuity Accrued Pension Obligation: **\$140,765**

Below are the highlights of the Plan for the period ended December 31, 2011:

- ◆ The total Annual Required Contribution is \$16,402 for Plan Year beginning January 1, 2011. This amount is based on the amortized actuarial accrued liability at the time of adoption of GASB on January 1, 2010 plus the current year's accrued cost.
- ◆ The unfunded actuarial accrued liability (difference between assets and present value of the benefit obligations) as of December 31, 2011 is \$140,765.
- ◆ The projected period for funding future retirement benefits as of December 31, 2011 is 11 years. There were no net gains or losses that adversely changed the funding schedule.
- ◆ As of December 31, 2010 there were 26 active, 44 deferred vested, and 0 retired participants.
- ◆ The Plan's assets for the period ended December 31, 2011 were valued at \$215,127.

Schedule 3.5.8

VEHICLE IDENTIFICATION NUMBER		YEAR	MAKE	BODY	MODEL	DESCRIPTION	
4S4BP61C377310415		2007	SUBA	SW	LEG	OUTBACK	
2ND VEHICLE IDENTIFICATION NUMBER		ODOMETER READING		DATE			
		18 ACTUAL		11/01/2006			
TITLE NUMBER	PRINT DATE	WEIGHT	LENGTH	WIDTH	HULL	HORSEPOWER	PROPULSION
066034940	11/09/2010						
OWNER'S NAME AND ADDRESS		OTHER PERTINENT DATA					
TETON VALLEY HOSPITAL 120 E HOWARD ST DRIGGS, ID 83422		 					

Assignment of Title

Warning: It is a felony to enter a false selling price, name, or address, or to alter or forge this document. Federal and State laws require you to state the mileage when transferring motor vehicle ownership. Failure to complete this disclosure or providing false information may result in fines and/or imprisonment.

ODOMETER READING - Reading is actual unless indicated otherwise. (NO TENTHS): <input type="text"/> DATE: <input type="text"/>		1st PURCHASER'S PRINTED, FULL LEGAL NAME / IDAHO DRIVER'S LICENSE NO., OR SSN, (USE EIN IF BUSINESS) A <input type="text"/>	
<input type="checkbox"/> In Excess of Mechanical Limits <input type="checkbox"/> Exempt <input type="checkbox"/> Not Actual - Warning: Odometer Discrepancy <input type="checkbox"/> No Device		2nd PURCHASER'S PRINTED, FULL LEGAL NAME / IDAHO DRIVER'S LICENSE NO., OR SSN, (USE EIN IF BUSINESS) B <input type="text"/>	
2 DATE SOLD: <input type="text"/> SELLING PRICE (see warning above) <input type="text"/>		6 MAILING ADDRESS AND PHYSICAL ADDRESS (IF DIFFERENT) <input type="text"/>	
3 SELLER'S OR REPRESENTATIVE'S PRINTED NAME(S) <input type="text"/>		7 CITY <input type="text"/> STATE <input type="text"/> ZIP <input type="text"/>	
4 I certify, to the best of my knowledge, that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby release my interest and transfer ownership to the named purchaser. I understand that I must file a release of liability statement within five days of delivering the vehicle to the purchaser. SELLER'S OR REPRESENTATIVE'S SIGNATURE: A <input checked="" type="checkbox"/> X B <input checked="" type="checkbox"/> X		8 I am aware that if I apply for title in Idaho, I must do so within 30 days of purchase or a \$20.00 late filing penalty may be due. I am also aware of the odometer certification made by the seller. 1st PURCHASER'S SIGNATURE (OR REPRESENTATIVE'S SIGNATURE) A <input checked="" type="checkbox"/> X 2nd PURCHASER'S SIGNATURE (OR REPRESENTATIVE'S PRINTED NAME) B <input checked="" type="checkbox"/> X	

Lienholder Section

FIRST LIEN NONE		SECOND LIEN <input type="text"/>	
RECORDED 11/09/2010		SIGNATURE RELEASING LIEN <input type="text"/> DATE <input type="text"/>	
9 SIGNATURE RELEASING LIEN <input checked="" type="checkbox"/> X		10 NEW LIENHOLDER'S NAME <input type="text"/>	
10124904		ADDRESS <input type="text"/>	
		CITY <input type="text"/> STATE <input type="text"/> ZIP <input type="text"/>	

REV. 1-10

\$3.50 Fee*

NOTICE OF RELEASE OF LIABILITY

\$3.50 Fee*

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER/TRANSFEROR IS MANDATORY

Vehicle or Hull Identification Number (VIN or HIN)	Year	Make	Body Style	Title Number
4S4BP61C377310415	2007	SUBA	SW	066034940
Seller's/Transferor's Full Legal Name(s):		Daytime Phone: _____		
Seller's Idaho Drivers License Number(s) or Social Security Number(s):		_____		
Address: _____		City: _____ State: _____ Zip: _____		
Odometer: _____		Selling Price: \$ _____ Date Delivered to Purchaser/Transferee: _____		
Purchaser's/Transferee's Full Legal Name(s) & Idaho Driver's License Number(s): _____				
Address: _____		City: _____ State: _____ Zip: _____ Daytime Phone: _____		

I/we hereby request that the Idaho Transportation Department mark its records to indicate that the vehicle or vessel described above has been transferred. However, I/we understand that the title record will remain in my/our name(s) until a new Idaho Certificate of Title is applied for and issued, recording the name(s) of the new owner(s).

X

Signature of Seller(s)/Transferor(s)

C12700

IDAHO									
CERTIFICATE OF TITLE									
TITLE NUMBER 046017945		VEHICLE IDENTIFICATION NUMBER 1GCGD34J2EF353156		YEAR 1984	MAKE CHEV	BODY PK	DESCRIPTION		
2ND VEHICLE IDENTIFICATION NUMBER		ODOMETER READING EXEMPT		DATE					
OWNER'S NAME AND ADDRESS TETON VALLEY HOSPITAL 120 E HOWARD DRIGGS, ID 83422		PRINT DATE 07/27/2004		WEIGHT	LENGTH	WIDTH	HULL	HORSEPOWER	PROPULSION
OTHER PERTINENT DATA									
Assignment of Title Federal and state law requires that you state the mileage when transferring ownership of a motor vehicle. Failure to complete or providing a false statement may result in fines and/or imprisonment.									
1 ODOMETER READING - Reading is actual unless indicated otherwise. (NO TENTHS) : <input type="checkbox"/> In Excess of Mechanical Limits <input type="checkbox"/> Exempt <input checked="" type="checkbox"/> No Actual - Warning: Odometer Discrepancy <input type="checkbox"/> No Device				5 PURCHASER'S PRINTED NAME(S) A B					
2 DATE SOLD: 3 SELLING PRICE:				6 ADDRESS:					
3 SELLER'S OR REPRESENTATIVE'S PRINTED NAME(S)				7 CITY STATE ZIP					
4 I certify, to the best of my knowledge, that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby release my interest and transfer ownership to the named purchaser. SELLER'S OR REPRESENTATIVE'S SIGNATURE: A X B X				8 I am aware that if I apply for title in Idaho, I must do so within 30 days of purchase or a \$20.00 late filing penalty may be due. I am also aware of the odometer certification made by the seller. PURCHASER'S OR REPRESENTATIVE'S SIGNATURE: A X B X 2nd PURCHASER'S OR REPRESENTATIVE'S SIGNATURE (or representative's printed name)					
Lienholder Section									
FIRST LIEN NONE RECORDED 07/20/2004				SECOND LIEN					
9 SIGNATURE RELEASING LIEN X 06581925				10 SIGNATURE RELEASING LIEN DATE X					
11 NEW LIENHOLDER'S NAME				12 ADDRESS					
13 CITY STATE ZIP				14 CITY STATE ZIP					

11-02TW

\$2.00 Fee

NOTICE OF RELEASE OF LIABILITY

\$2.00 Fee

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER/TRANSFEROR IS MANDATORY

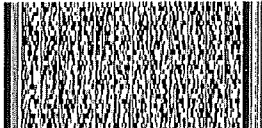

Vehicle or Hull Identification Number (VIN or HIN) 1GCGD34J2EF353156		Year 1984	Make CHEV	Body Style PK	Title Number 046017945
Seller's/Transferor's Full Name:		Phone Number:			
Address:		City:		State: Zip:	
Odometer:		Selling Price: \$		Date Delivered to Purchaser/Transferee:	
Purchaser's/Transferee's Full Name:		City:		State: Zip:	
Address:		City:		State: Zip:	

I/we hereby request that the Idaho Transportation Department mark its records to indicate that the vehicle or vessel described above has been transferred. However, I/we understand that the title record will remain in my/our name(s) until a new Idaho Certificate of Title is applied for and issued, recording the name(s) of the new owner(s).

X

Signature of Seller(s)/Transferor(s)

— SEE REVERSE SIDE FOR MAILING/PAYMENT INSTRUCTIONS —

ITD-3517 (REV. 1-10) VEHICLE IDENTIFICATION NUMBER		CERTIFICATE OF TITLE				YEAR MAKE BODY MODEL DESCRIPTION	
4XAMH50A3AB804807		2010		POLS	MV	ATV	SPRT500
2ND VEHICLE IDENTIFICATION NUMBER		ODOMETER READING			DATE		
		687 ACTUAL			06/16/2012		
TITLE NUMBER	PRINT DATE	WEIGHT	LENGTH	WIDTH	HULL	HORSEPOWER	PROPULSION
A103002307	07/10/2012	695					
OWNER'S NAME AND ADDRESS		OTHER PERTINENT DATA					
TETON VALLEY HOSPITAL 120 E HOWARD AVE DRIGGS, ID 83422							
Assignment of Title Warning: It is a felony to enter a false selling price, name, or address, or to alter or forge this document. Federal and State laws require you to state the mileage when transferring motor vehicle ownership. Failure to complete this disclosure or providing false information may result in fines and/or imprisonment.							
1 ODOMETER READING - Reading is actual unless indicated otherwise. (NO TENTHS): DATE: <input type="checkbox"/> In Excess of Mechanical Limits <input type="checkbox"/> Exempt <input type="checkbox"/> Not Actual - Warning: Odometer Discrepancy <input type="checkbox"/> No Device				5 1st PURCHASER'S PRINTED, FULL LEGAL NAME / IDAHO DRIVER'S LICENSE NO., OR SSN. (USE EIN IF BUSINESS) A 8 2nd PURCHASER'S PRINTED, FULL LEGAL NAME / IDAHO DRIVER'S LICENSE NO., OR SSN. (USE EIN IF BUSINESS) 			
2 DATE SOLD: SELLING PRICE (see warning above) 		6 MAILING ADDRESS AND PHYSICAL ADDRESS (IF DIFFERENT) 					
3 SELLER'S OR REPRESENTATIVE'S PRINTED NAME(S) 		7 CITY STATE ZIP 					
4 I certify, to the best of my knowledge, that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby release my interest and transfer ownership to the named purchaser. I understand that I must file a release of liability statement within five days of delivering the vehicle to the purchaser. SELLER'S OR REPRESENTATIVE'S SIGNATURE: A X B X		8 I am aware that if I apply for title in Idaho, I must do so within 30 days of purchase or a \$20.00 late filing penalty may be due. I am also aware of the odometer certification made by the seller. 1st PURCHASER'S SIGNATURE (OR REPRESENTATIVE'S SIGNATURE) A X 2nd PURCHASER'S SIGNATURE (OR REPRESENTATIVE'S PRINTED NAME) B X		9 SIGNATURE RELEASING LIEN DATE 10 X			
11 NEW LIENHOLDER'S NAME 		12 ADDRESS 					
13 CITY STATE ZIP 							
14 RECORDING NUMBER 11000856							

IV. 1-10

\$3.50 Fee*

NOTICE OF RELEASE OF LIABILITY

\$3.50 Fee*

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER/TRANSFEROR IS MANDATORY

Vehicle or Hull Identification Number (VIN or HIN)	Year	Make	Body Style	Title Number
4XAMH50A3AB804807	2010	POLS	MV	A103002307
Seller's/Transferor's Full Legal Name(s): _____ Daytime Phone: _____				
Seller's Idaho Drivers License Number(s) or Social Security Number(s): _____				
Address: _____ City: _____ State: _____ Zip: _____				
Odometer: _____ Selling Price: \$ _____ Date Delivered to Purchaser/Transferee: _____				
Purchaser's/Transferee's Full Legal Name(s) & Idaho Driver's License Number(s): _____				
Address: _____ City: _____ State: _____ Zip: _____ Daytime Phone: _____				

I/we hereby request that the Idaho Transportation Department mark its records to indicate that the vehicle or vessel described above has been transferred. However, I/we understand that the title record will remain in my/our name(s) until a new Idaho Certificate of Title is applied for and issued, recording the name(s) of the new owner(s).

X

Signature of Seller(s)/Transferor(s)

Schedule 3.5.13

STATE OF IDAHO
DEPARTMENT OF HEALTH AND WELFARE

License # 31

HOSPITAL

In accordance with Sections 39-1301 through 39-1317, Idaho Code,
and the rules and regulations promulgated thereunder,

TETON VALLEY HOSPITAL & SURGICENTER

DRIGGS, IDAHO

is licensed to provide hospital care.

Effective Date: January 1, 2012

Licensed Capacity: 13 Beds

Debra Ransom
Debra Ransom, R.N., R.H.I.T., Chief
Bureau of Facility Standards
Department of Health and Welfare

This license is effective until December 31, 2012, unless otherwise suspended or revoked.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Western Division of Survey and Certification
Seattle Regional Office
2201 Sixth Avenue, RX-48
Seattle, WA 98121



Refer to: WDSC-

July 30, 2012

Teton Valley Hospital
Attn: Laura Piquet, QA Manager
120 E. Howard Ave
Driggs, ID 83422

Re: Medicare certification effective date

Dear Ms. Piquet:

Here is the Medicare certification information you requested:

Name	Address	CMS Certification #	Medicare participation effective date
Teton Valley Hospital	120 E. Howard Ave Driggs, ID 83422	13-1313	10/1/2000

If you need additional information, please contact Dorothy Stephens of my staff at
(206) 615-2648.

Sincerely,

Jerilyn McClain
Jerilyn McClain, Manager
Survey, Certification, and Enforcement Branch

Copy to:
DHW Idaho, Mary Sheridan

2012


City of Driggs


No. BI07-176

Certificate of Business Registration

THIS IS TO CERTIFY THAT Teton Valley Hospital located at 120 E. Howard Avenue, is registered with the City of Driggs and is in compliance with the provisions of Driggs Ordinance 272-07, passed by the City Council and on file in the office of the Clerk of the City of Driggs, Idaho. In the opinion of local fire and building inspectors, the operation of the business and its associated physical location did not, at the time of registration, present a hazard to the health, safety and welfare of the public. This business is subject to all provisions of the laws of the State of Idaho, the ordinances and regulations of Teton County, Idaho, and all city ordinances and regulations in regard to business operation.

This registration expires on 12/31/2012


Deputy City Clerk Kreslyn Schuehler


Mayor Daniel J. Powers

CENTERS FOR MEDICARE & MEDICAID SERVICES
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS
CERTIFICATE OF COMPLIANCE

LABORATORY NAME AND ADDRESS

TETON VALLEY HOSPITAL
120 E HOWARD ST
DRIGGS, ID 83422

CLIA ID NUMBER

13D0520979

EFFECTIVE DATE

09/20/2011

EXPIRATION DATE

09/19/2013

LABORATORY DIRECTOR

DAVID MARTIN-REAY MD

Pursuant to Section 355 of the Public Health Services Act (42 U.S.C. 263a), as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory, located at the address shown herein (and other approved locations) may accept human specimens for the purpose of performing laboratory examinations or procedures for violation of the Act or the regulations promulgated thereunder.

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Quinn A. Yost
Quinn A. Yost, Director
Division of Laboratory Services
Survey and Certification Group
Center for Medicaid and State Operations

216 - certcl_091711

If you currently hold a Certificate of Compliance or Certificate of Accreditation, below is a list of the laboratory specialties/subspecialties you are certified to perform and their effective date:

LAB CERTIFICATION (CODE)	EFFECTIVE DATE	LAB CERTIFICATION (CODE)	EFFECTIVE DATE
BACTERIOLOGY (110)	09/20/1993		
ROUTINE CHEMISTRY (310)	09/20/1993		
URINALYSIS (320)	09/20/1993		
ENDOCRINOLOGY (330)	09/20/1995		
TOXICOLOGY (340)	09/20/1995		
HEMATOLOGY (400)	09/20/1993		
ABO & RH GROUP (510)	09/20/1993		
ANTIBODY TRANSFUSION (520)	09/20/1993		
ANTIBODY NON-TRANSFUSION (530)	09/20/1993		
COMPATIBILITY TESTING (550)	09/20/1993		



FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT WWW.CMS.HHS.GOV/CLIA
OR CONTACT YOUR LOCAL STATE AGENCY. PLEASE SEE THE REVERSE FOR
YOUR STATE AGENCY'S ADDRESS AND PHONE NUMBER.
PLEASE CONTACT YOUR STATE AGENCY FOR ANY CHANGES TO YOUR CURRENT CERTIFICATE.

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
Public Health Service
Food and Drug Administration

CERTIFIED MAMMOGRAPHY FACILITY

This certifies that

Teton Valley Hospital

has complied with the requirements of the Mammography Quality Standards Act of 1992
and is hereby authorized to perform mammography examinations, pursuant to 42 U.S.C. 263b.

William T. Hensley
COMMISSIONER OF FOOD & DRUGS
FOOD AND DRUG ADMINISTRATION

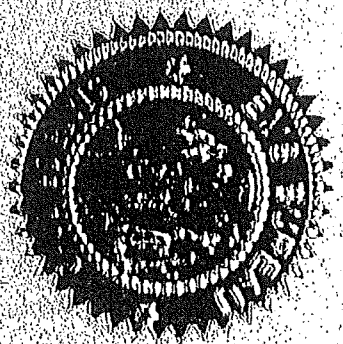
Facility ID Number: 195230

Expiration Date: December 8, 2014

John B. Bear MD
DIRECTOR
DIVISION OF MAMMOGRAPHY QUALITY AND RADIATION PROGRAMS
CENTER FOR DEVICES AND RADIOLOGICAL HEALTH

Patients may report comments/complaints to:
Mammography Accreditation Program
American College of Radiology
1891 Preston White Drive
Reston, Virginia 20191-4397

STATE OF IDAHO EMERGENCY MEDICAL SERVICES



Advanced Life Support - Prehospital, Transfer

9/1/2012 - 8/31/2013

Teton Valley Ambulance

Ambulance License # 7713

Issued by the Idaho Department of Health and Welfare, Emergency Medical Services Bureau. This license confirms that the service meets the provisions of Idaho Code §56-1011 through §56-1023 and the minimum standards specified in the Rules Governing EMS IDAPA 16.02.03 and the Rules of the EMS Physician Commission IDAPA 16.02.02.

Wesley A. Dean
Bureau Chief

MEDICAID CERTIFICATION AND TRAIL MOUNTAIN

HEALTH INSURANCE REGIONAL OFFICE



STATE OF IDAHO

STATE LAB # P044

DEPARTMENT OF HEALTH AND WELFARE

NOTICE OF LABORATORY REGISTRATION

TETON VALLEY MEDICAL

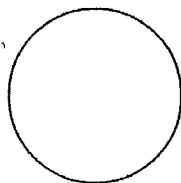
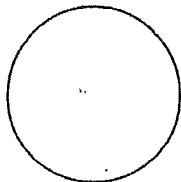
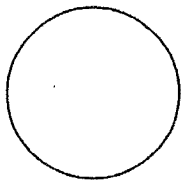
283 NORTH 1ST EAST

DRIGGS IDAHO 83422

THIS IS TO CERTIFY THAT THE ABOVE NAMED LABORATORY HAS MET THE REQUIREMENTS FOR REGISTRATION AS OUTLINED IN IDAHO CODE IDAPA 16.02.0611 AND THE RULES AND REGULATIONS GOVERNING QUALITY CONTROL AND PROFICIENCY TESTING FOR IDAHO CLINICAL LABORATORIES AS APPROVED BY THE IDAHO STATE BOARD OF HEALTH AND WELFARE.

RICHARD E. HUDSON, PhD
BUREAU OF LABORATORIES

THIS REGISTRATION IS NOT VALID UNLESS IT BEARS THE SEAL OF THE CURRENT YEAR.



DEPARTMENT OF HEALTH & WELFARE
BUREAU OF LABORATORIES
RADIATION CONTROL PROGRAM

(208)334-2235

FAX: (208)334-4067

For Office Use Only
Registration #:
Date Registered:

APPLICATION FOR REGISTRATION OF RADIATION DEVICE

In compliance with the provisions of the Idaho Radiation Control Rules IDAPA 16.02.27, the Department of Health & Welfare requires registration of all x-ray producing machines. Please notify the Department within ten (10) days of any change in the following information.

☐ New Registration ☒ Renewal ☐ Change of Information

This form can be found on the internet at www.state.idaho.gov under certification section.

Registrant (Owner/facility/hospital/etc):		Teton Valley Hospital	
Address (if PO box you must include street address):		120 E. Howard Ave	
City:	Driggs	State:	ID
Zip Code:	83422	PO Box:	
Telephone:	208-354-2383	Fax #:	208-354-6308
e-mail address:		mbarnette@thyhcare.org	
Radiation Safety Officer/Owner (person responsible for unit):			
DAVID V. HANSEN, M.D.			
Type of Facility:	<input checked="" type="checkbox"/> Hospital <input type="checkbox"/> Clinic <input type="checkbox"/> Private office <input type="checkbox"/> Other	Telephone: (208)354-6313	
Type of Practice:	<input type="checkbox"/> Dental <input checked="" type="checkbox"/> Medical <input type="checkbox"/> Podiatry <input type="checkbox"/> Veterinary <input type="checkbox"/> Industrial <input type="checkbox"/> Chiropractic <input type="checkbox"/> Other		
Model/ies:	Digital? <input checked="" type="checkbox"/> No: Please fill in the number of tubes/units	Radiographic: 3 Fluoroscopic: 3	
Heart Cath: <input type="checkbox"/>	Rad therapy: <input type="checkbox"/> Nuclear Med: <input type="checkbox"/> Ultrasound: <input type="checkbox"/> CT: <input type="checkbox"/> MRI: <input type="checkbox"/> (mobile)		

This is to certify that, to the best of my knowledge and belief, all information contained herein, including any supplements attached hereto, is true and correct.

Date: 10 April 2012 Applicant: DAVID V. HANSEN, M.D.

(Signature)
(authorized signature)
KATHLEEN G. LISC
(Title)

Registration does not imply approval or disapproval of installation. Registration does not indicate compliance with all Idaho regulations as applicable to radiation machines. Inspection reports should be kept as evidence of compliance.

Please mail the completed form to:

Idaho Bureau of Laboratories
Radiation Control Program
2220 Old Penitentiary Road
Boise ID 83712

LISTING OF MACHINES ON BACK OF FORM



American College of Radiology

The Mammographic Imaging Services of

**Teton Valley Hospital
Driggs, ID**

were surveyed by the
Committee on Mammography Accreditation of the
Commission on Quality and Safety

The following unit was approved :

**General Electric Co. (GE Medical Systems)
SENOGRAPHIE ESSENTIAL 2011**

MAP ID # 11239-04

Accredited from :

December 08, 2011 through December 08, 2014

Prof. Dr. Parthiv Patel

CHAIR, COMMITTEE ON MAMMOGRAPHY ACCREDITATION

David J. Barnes

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

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FAX (208) 334-3536

Sterile Product Preparation

18926SP
Issued: 05/31/2012
Expires: 06/30/2013

TETON VALLEY HOSPITAL PHARMACY
120 E HOWARD
DRIGGS, ID 83422



MARK JOHNSTON, RPH
EXECUTIVE DIRECTOR

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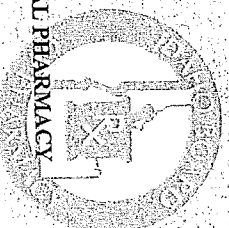


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Hospital Pharmacy

633HP
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CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE

UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION
WASHINGTON D.C. 20537

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
AT1616018	11-30-2012	FEE EXEMPT
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2,2N, 3,3N 4,5,	HOSPITAL/CLINIC	10-21-2009

TETON VALLEY HOSPITAL
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DRIGGS, ID 83422-0000



Sections 304 and 1008 (21 USC 824 and 959) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.